



*Know Your Benefits*

**PLAN DOCUMENT**  
**State and School Employees' Life and Health Insurance Plan**  
**January 2006**

### ***Life and Health Insurance Plan Partners***

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Service of legal process may be made on the agent listed below or the Plan Sponsor.

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## *Introduction*

This *Plan Document* contains the official rules and regulations of the State and School Employees' Health Insurance Plan (Plan). This *Plan Document* replaces and supersedes all previously issued *Plan Documents*, *Summary Plan Descriptions*, and *Master Plan Documents*. When there are changes in benefits, a notice explaining the details of the changes will be issued. Notices of changes to the health Plan and life insurance coverage may be included in the Plan's *Know Your Benefits* newsletter.

Please take a moment to read through this booklet to become familiar with the information it contains. Keep this *Plan Document* as a reference guide for questions on life and health benefits.

The Plan offers two coverage choices for active employees, COBRA participants, and non-Medicare eligible retirees: Base Coverage and Select Coverage. Each coverage type is independent of the other. Lifetime maximums will be cross applied between all coverage types. Throughout this *Plan Document*, the term Plan refers to Base Coverage and Select Coverage unless otherwise noted.

The Plan includes a separate coverage level for Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

**If you are, or will become in the next 12 months, a Medicare eligible retiree, Medicare eligible surviving spouse, or a Medicare eligible dependent of a retiree or surviving spouse, the availability of prescription drug coverage under Medicare will impact your prescription drug coverage, starting in January 2006. Please refer to the Retiree Eligibility and Medical Coverage Section for more details.**

No verbal statements of any person will modify or otherwise affect the benefits or limitations and exclusions of the Plan. Nor shall any such statements convey or void any coverage, or increase or reduce any benefits under the Plan.

This *Plan Document* does not create, nor is it intended to provide an employment contract between the State of Mississippi and any employee.

As provided by Mississippi state law, the State and School Employees Health Insurance Management Board (Board) has complete authority to control, operate, and manage the Plan. The Department of Finance and Administration, Office of Insurance is authorized by law to provide day-to-day management of the Plan. The Board has provided full discretion to the Office of Insurance to determine eligibility status, interpret Plan benefits and rules, and determine whether a claim should be paid or denied according to the provisions of the Plan set forth in this *Plan Document*. The Board reserves the right to amend, reduce, or eliminate any part of the Plan at any time.



The State and School Employees' Health Insurance Plan is a self-insured plan. This means that the State is responsible for paying claims and other expenses associated with providing health care coverage. Neither Blue Cross & Blue Shield, AHS State Network, Intracorp, nor Catalyst Rx insures or guarantees these self-insured benefits.

*Note: Whenever a personal pronoun in the masculine gender is used, it will be deemed to include the feminine unless the context clearly indicates the contrary.*

## ***How the Plan Works***

### ***Medical Plan Choices***

The Plan provides two types of coverage from which active employees, COBRA participants, non-Medicare eligible retirees, and non-Medicare eligible surviving spouses can choose: Base Coverage and Select Coverage. These coverage types are explained in this section.

The Plan includes a separate coverage level for Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses. Refer to the *Retiree Eligibility and Medical Coverage* section for more information.

### ***The Provider Network***

The AHS State Network (Network) is a network of physicians, hospitals, and other health care providers. The Network Administrator is responsible for recruiting, credentialing, and communicating with providers. Providers participating in the Network agree to accept the allowable charge fees set by the Network and agree to file claims for Plan participants.

Participants may choose any covered participating or non-participating provider, primary care or specialist; however, using providers that participate in the Network provides participants the maximum benefits available through the Plan. Participants choosing to use providers that do not participate in the Network are responsible for paying any fees charged over the allowable charge, in addition to paying a higher annual deductible (for those participants under Select Coverage) and higher coinsurance amounts.

To find a participating provider, participants can access the Network directory through the Plan's web site at <http://knowyourbenefits.dfa.state.ms.us> or may call the Network at the telephone number listed in this *Plan Document*. Provider participation in the Network may change from time to time. It is important for participants to verify provider participation prior to receiving services.

### ***Out-of-Area Participants***

An out-of-area participant is a participant whose principal/primary residence is located outside the State of Mississippi. The enrollee's address on file with Blue Cross & Blue Shield will determine whether the enrollee and their covered dependents are out-of-area participants. Any covered dependent of an enrollee whose principal/primary residence is located outside the geographic boundaries of the State of Mississippi is an out-of-area participant. The Plan reserves the right to require proof of residence for any participant. Coverage levels for out-of-area participants are in the *Summaries of Medical Benefits*.

Dependents who are full-time students between the ages of 19 and 25 are not out-of-area participants. Covered medical expenses for full-time students are paid at the higher in-network level, even though the student is in school away from home.

### ***Emergency Care***

Emergency care received from a non-participating provider may, under certain circumstances, be paid at the in-network benefit level. However, the participant is still responsible for amounts charged by the non-participating provider that exceed the allowable charge.

If a claim for emergency care is processed at the out-of-network benefit level, the participant may appeal the percentage paid on the claim for emergency services by making a written appeal to Blue Cross & Blue Shield. Only emergency services payable at the 60% coverage level may be appealed for the in-network coverage level.

### ***Specialty Services Performed by a Non-participating Provider***

If a Plan participant needs specialty services that are not available from participating providers, he should call Intracorp and request a review of the availability of the needed services. This is called an “out-of-network review” and must be requested **prior to** receiving medical services. If Intracorp certifies that the service is not available in the Network, that service is covered at the in-network benefit level, even if provided by a non-participating provider. Services approved through an out-of-network review are subject to the in-network calendar year deductible and coinsurance. Although approval to use a non-participating provider may be granted, the participant is responsible for amounts charged by the provider that exceed the Plan’s allowable charge.

Out-of-network review requests will not be approved for follow-up testing after active treatment is complete.

*Only services that have a 60% coverage level are eligible for an out-of-network review. Out-of-area participants are not eligible to request an out-of-network review.*

### ***Medical Management/Utilization Review***

Utilization review is a process to make sure that medical services are medically necessary, delivered in the most appropriate setting, reflective of the correct length of stay, and consistent with generally accepted medical standards. Certification requirements apply, regardless of whether a participant uses a participating or non-participating provider. Intracorp performs medical management/utilization review for the Plan. The following services must be certified by Intracorp:

Inpatient Hospital Admissions  
Specified Outpatient Diagnostic Tests  
Private Duty and Home Health Nursing Services  
Solid Organ and Bone Marrow/Stem Cell Transplants  
Home Infusion Therapy

Outpatient diagnostic tests  
requiring certification

- CAT Scan
- Colonoscopy
- MRI Scan
- UGI Endoscopy/EGD

Certification is not required for those participants having Medicare or other primary coverage, unless the service is not covered by the primary carrier. For additional information, see the *Medical Management and Utilization Review* section.

**Identification Cards**

**For protection from identity theft, the enrollee's Social Security number is not on his health insurance or prescription drug identification card. The health insurance identification card includes important information and should be presented when receiving medical services or supplies. The prescription drug identification card should be presented when purchasing prescription drugs. These identification cards provide important addresses and phone numbers.**

***Lifetime Maximum***

The maximum amount payable for each participant is \$1,000,000. This lifetime maximum applies to each covered employee and dependent under the Plan. This maximum applies to a participant's entire lifetime, regardless of the participant's coverage status, i.e., employee, retiree, COBRA participant, surviving spouse, or dependent. This maximum will be cross applied between all coverage types. This maximum also applies regardless of any break in coverage or service.

***Integration of Benefits***

The Plan includes integration of benefits for Plan maximums between in-network and out-of-network benefits. This means that lifetime maximums, annual maximums, and maximums which apply per day or visit will be cross applied, regardless of whether the provider is participating or non-participating. Coverage maximums will also be cross applied between all coverage types.

## ***Select Coverage***

### ***Deductibles and Coinsurance Maximums for Medical Services***

	IN-NETWORK	OUT-OF-NETWORK
<b>Individual Calendar Year Medical Deductible</b>	\$500	\$1,000
<b>Family Calendar Year Medical Deductible</b>	\$1,000	\$2,000
<b>Individual Medical Coinsurance Maximum</b>	\$2,000	\$3,000
<b>Individual Prescription Drug Deductible</b>	\$50	

#### ***Individual Calendar Year Medical Deductible***

The calendar year medical deductible is the amount of covered medical expense a participant must pay each year before the Plan begins to pay its share of covered medical expense. Once the calendar year deductible is met, the Plan pays a percentage of the allowable charge for covered medical expenses.

The initial \$500 of covered medical expense will apply to both the in and out-of-network deductible. After the initial \$500 has been applied, only services rendered by a non-participating provider will be applied to the additional \$500 out-of-network deductible.

The following expenses do not count towards the calendar year medical deductible:

- Prescription drug deductible
- Expenses in excess of the allowable charge
- Expenses in excess of Plan maximum limits
- Services not considered medically necessary
- Emergency room co-payment
- Prescription drug co-payments
- Utilization review penalties
- Private room co-payment
- Services not covered by the Plan

#### ***Family Calendar Year Medical Deductible***

Once a family has paid the family medical deductible in a calendar year, all covered participants in that family will be considered to have satisfied their individual medical deductibles for that calendar year. The family medical deductible also applies when both husband and wife are covered separately as enrollees and both are enrolled in Select Coverage. No individual family member may contribute more than \$500 to the in-network family medical deductible or more than \$1,000 to the out-of-network family medical deductible.

The initial \$1,000 of covered expense will apply to both the in and out-of-network family medical deductible. After the initial \$1,000 has been applied, only services rendered by a non-participating provider will be applied to the additional \$1,000 out-of-network family medical deductible.

### ***Coinsurance***

Once a participant has met the calendar year medical deductible, the Plan pays a portion of the allowable charge for covered medical expense. The participant pays the remainder in the form of coinsurance.

Any fees charged by a non-participating provider that are above the allowable charge are not part of the coinsurance amount. The Plan will not pay any portion of these charges.

**Helpful Tip: Participating providers agree not to charge any amount above the Plan's allowable charge.**

### ***Individual Medical Coinsurance Maximum***

The medical coinsurance maximum is the maximum amount that each participant has to pay in coinsurance for covered medical expenses in a calendar year before benefits will be paid at 100%. The medical coinsurance maximum protects a participant from having to pay catastrophic medical bills in a given year. The amount paid toward meeting the calendar year individual and family medical deductibles does not count toward satisfying the medical coinsurance maximum.

The initial \$2,000 of medical coinsurance is applied to both the in and out-of-network medical coinsurance maximum. After the initial \$2,000 has been met, only the coinsurance amount for services rendered by non-participating providers will be applied to the additional \$1,000 out-of-network coinsurance. Once the annual medical coinsurance maximum is met, the Plan covers 100% of the allowable charge for covered medical expenses for the remainder of that calendar year, except as otherwise specified. The Plan will never pay 100% for those expenses that do not apply toward satisfying the coinsurance maximum.

<b>Do These Expenses Count Towards The Coinsurance Maximum?</b>	
<b>YES</b>	<b>NO</b>
<ul style="list-style-type: none"> <li>▪ The coinsurance paid for hospital inpatient services</li> <li>▪ The coinsurance paid for other covered medical expenses</li> </ul>	<ul style="list-style-type: none"> <li>▪ The calendar year deductibles</li> <li>▪ The family deductibles</li> <li>▪ The prescription drug deductible</li> <li>▪ Expenses in excess of the allowable charge</li> <li>▪ Expenses in excess of Plan maximum limits</li> <li>▪ Coinsurance and other expenses for treatment of substance abuse (alcohol and/or drug) and mental health conditions</li> </ul>

<b>Do These Expenses Count Towards The Coinsurance Maximum?</b>	
<b>YES</b>	<b>NO</b>
	<ul style="list-style-type: none"> <li>▪ Utilization review penalties</li> <li>▪ Services not covered by the Plan including all those found in the <i>Medical Limitations and Exclusions</i> section</li> <li>▪ Prescription drug co-payments</li> <li>▪ Generic drug differential amounts</li> <li>▪ Services not considered medically necessary</li> <li>▪ The private room co-payment</li> <li>▪ The emergency room co-payment</li> </ul>

***Individual Prescription Drug Deductible***

Before the Plan will pay any of the cost for prescription drugs, each participant must first satisfy a \$50 prescription drug deductible each calendar year.

The prescription drug deductible and co-payment amounts will not apply toward satisfying the medical calendar year deductible or coinsurance maximum. Prescription drug benefits paid by the Plan will apply toward the participant's \$1,000,000 lifetime maximum.

### ***Summary of Select Coverage Medical Benefits***

This is only a summary of the medical benefits under Select Coverage. It does not provide all details and provisions of the Plan. Some limitations and exclusions apply and can be found within this *Plan Document*.

	<b>In-Area Participants</b>		<b>Out-of-Area Participants</b>	
	<b><i>In-Network</i></b>	<b><i>Out-of-Network</i></b>	<b><i>In-Network</i></b>	<b><i>Out-of-Network</i></b>
<b>Lifetime Maximum Benefits</b>	<b>\$1,000,000</b>			
<b>Individual Calendar Year Medical Deductible</b>	<b>\$500</b>	<b>\$1,000</b>	<b>\$500</b>	<b>\$1,000</b>
<b>Family Calendar Year Medical Deductible</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$1,000</b>	<b>\$2,000</b>
<b>Individual Medical Coinsurance Maximum</b>	<b>\$2,000</b>	<b>\$3,000</b>	<b>\$2,000</b>	<b>\$3,000</b>
<b>All benefits are subject to the medical deductibles unless otherwise noted in the Covered Services section.</b>				
<b>Physician Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Hospital – In-patient</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Hospital – Out-patient</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Emergency Room</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>X-Rays, Laboratory</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Adult Wellness/Preventive Services</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>
<b>Maternity – Attending Physician</b>	<b>100%</b>	<b>90%</b>	<b>100%</b>	<b>90%</b>
<b>Maternity – Hospital; Other Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Well-Child Care (Birth to 2 Years of Age)</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>
<b>Ambulatory Surgical Facility</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Cardiac Rehabilitation (outpatient)</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Chiropractic Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Durable Medical Equipment</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Home Infusion Therapy</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Nurse Practitioner</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Occupational Therapy</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Optometric Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Organ Transplants</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Physical Therapy</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Private Duty and Home Health Nursing Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>Speech Therapy</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>
<b>High Option for Children</b>				
<b>Well-Newborn Nursery Care</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>
<b>Well-Child Physician Office Visits</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>
<b>Specified Routine Tests</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>
<b>Childhood Routine Immunization</b>	<b>80%</b>	<b>Not Covered</b>	<b>80%</b>	<b>Not Covered</b>



### ***Additional Benefits***

*Coverage for the services listed below is subject to the in-network calendar year medical deductibles and the individual medical coinsurance maximum of \$2,000. These services are not eligible for an out-of-network review.*

<b>Benefit</b>	<b>In-Area Participants</b>		<b>Out-of-Area Participants</b>	
	<b><i>In-Network</i></b>	<b><i>Out-of-Network</i></b>	<b><i>In-Network</i></b>	<b><i>Out-of-Network</i></b>
<b>Accidental Injury to Natural Teeth</b>	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>
<b>Anesthesia</b>	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>
<b>Podiatry Services</b>	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>
<b>Ambulance</b>	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>
<b>Medical Supplies</b>	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>
<b>Prosthetic and Orthotic Procedures and Devices</b>	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>
<b>TMJ</b>	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>

### ***Mental Health/Substance Abuse Benefits***

*Coverage for the services listed below is subject to the in-network calendar year medical deductibles. These services are not eligible for an out-of-network review. Coinsurance amounts for substance abuse and mental health benefits will not apply toward satisfying the coinsurance maximum.*

<b>Benefit</b>	<b>In-Area Participants</b>		<b>Out-of-Area Participants</b>	
	<b><i>In-Network</i></b>	<b><i>Out-of-Network</i></b>	<b><i>In-Network</i></b>	<b><i>Out-of-Network</i></b>
<b>Substance Abuse</b>				
Inpatient	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>
Outpatient	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>
Intensified Outpatient Program	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>
<b>Mental Health</b>				
Inpatient	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>
Outpatient	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>
Day Treatment/ Partial Hospitalization	<b>80%</b>	<b>75%</b>	<b>80%</b>	<b>75%</b>

## ***Base Coverage***

Base Coverage meets the federal government's criteria of a qualifying high deductible health plan under Section 1201 of the *Medicare Prescription Drug Improvement and Modernization Act of 2003* in regard to establishing a Health Savings Account (HSA). HSAs are portable, interest-bearing, funded accounts to provide for tax-free savings for medical expenses. HSAs allow individuals to pay for current health expenses and save for future qualified medical and retiree health expenses on a tax-free basis. HSAs must be funded through a trust or custodial account. Permissible trustees and custodians include banks, insurers, and any entity that has been approved by the IRS to be a trustee of an individual retirement account or Archer MSA. Some cafeteria plan administrators offer an HSA, allowing for contributions to be deducted pre-tax from payroll.

The benefit design for Base Coverage is structured to comply with IRS regulations related to qualified high deductible health plans. There are two types of coverage: Individual Coverage and Family Coverage.

### **INDIVIDUAL COVERAGE**

#### ***Deductible and Coinsurance/Co-payment Maximum – Individual Coverage***

	In-Network	Out-of-Network
Individual Calendar Year Deductible	\$1,050	
Individual Coinsurance/Co-payment Maximum	\$2,450	\$3,950

#### ***Calendar Year Deductible – Individual Coverage***

The calendar year deductible is the amount of covered expense a participant must pay each year before the Plan begins to pay its share of covered expense. All expenses, medical and pharmacy, apply toward the calendar year deductible. Once the calendar year deductible has been met, the Plan pays its portion of the allowable charge for covered expenses, and the participant pays prescription drug co-payments and a percentage of the allowable charge for covered medical expenses.

#### ***Coinsurance/Co-payment Maximum – Individual Coverage***

The coinsurance/co-payment maximum is the maximum amount that an enrollee with individual coverage has to pay in coinsurance and co-payments for covered expenses in a calendar year before benefits will be paid at 100%. The coinsurance/co-payment maximum provides participants protection against catastrophic healthcare expenses. The amount paid toward meeting the calendar year deductible does not count toward satisfying the coinsurance/co-payment maximum.

The initial \$2,450 of coinsurance/co-payments is applied to both the in and out-of-network coinsurance/co-payment maximum. After the initial \$2,450 has been met, only the coinsurance amount for services rendered by non-participating providers will be applied to the additional \$1,500 out-of-network coinsurance. Once the annual coinsurance/co-payment maximum is met, the Plan pays 100% of the allowable charge for covered medical expenses and prescription drugs for the remainder of that calendar year, except as otherwise specified.

The Plan will never pay 100% for those expenses that do not apply toward satisfying the coinsurance/co-payment maximum.

## **FAMILY COVERAGE**

### ***Deductible and Coinsurance/Co-payment Maximum - Family Coverage***

	In-Network	Out-of-Network
Calendar Year Deductible	\$2,100	
Coinsurance/Co-payment Maximum	\$4,900	\$7,900

### ***Calendar Year Deductible – Family Coverage***

Family coverage is when an enrollee has one or more covered dependents. If an enrollee has family coverage, there is no separate deductible for each covered individual in the family. Benefits will not be paid until the family deductible for all participants under that ID number has been satisfied. The family deductible also applies when both husband and wife are covered separately as enrollees, one of the enrollees has dependent coverage, and both are enrolled in Base Coverage.

If both husband and wife are covered employees, one carries dependent coverage, and only one of them elects Base Coverage, calendar year deductibles and coinsurance/co-payment amounts are not shared.

If both husband and wife are covered employees with employee only coverage, and both elect Base Coverage, the calendar year deductible and coinsurance/co-payment amounts are not shared.

The following expenses do not count towards the calendar year deductible for Individual or Family Base Coverage:

- Expenses in excess of the allowable charge
- Utilization review penalties
- Expenses in excess of Plan maximum limits
- Services not covered by the Plan including all those found in the Medical Limitations and Exclusions section
- Services not considered medically necessary

### ***Coinsurance/Co-payment Maximum – Family Coverage***

The coinsurance/co-payment maximum is the maximum amount that an enrollee with family coverage has to pay in coinsurance and co-payments for covered expenses in a calendar year before benefits will be paid at 100%. If an enrollee has family coverage, there is no separate coinsurance/co-payment maximum for each individual. The family coinsurance/co-payment maximum also applies when both husband and wife are covered separately as enrollees, one of the enrollees has family coverage, and both are enrolled in Base Coverage. The amount paid toward meeting the calendar year deductible does not count toward satisfying the coinsurance/co-payment maximum.

The initial \$ 4,900 of coinsurance and co-payments is applied to both the in and out-of-network coinsurance/co-payment maximum. After the initial \$4,900 has been applied, only the coinsurance amount for services rendered by non-participating providers will be applied to the additional \$3,000 out-of-network coinsurance/co-payment maximum. Once the annual coinsurance/co-payment maximum is met, the Plan pays 100% of the allowable charge for covered medical expenses and prescription drugs for the remainder of that calendar year, except as otherwise specified.

The Plan will never pay 100% for those expenses that do not apply toward satisfying the coinsurance/co-payment maximum.

### ***Coinsurance***

Once a participant has met the calendar year deductible, the Plan pays a portion of the allowable charge for covered medical expense. The participant pays the remainder in the form of coinsurance.

Any fees charged by a non-participating provider that are above the allowable charge are not part of the coinsurance amount. The Plan will not pay any portion of these charges.

**Helpful Tip: Participating providers agree not to charge any amount above the Plan's allowable charge.**

<b>Do These Expenses Count Towards The Coinsurance/Co-Payment Maximum?</b>	
<b>YES</b>	<b>No</b>
<ul style="list-style-type: none"> <li>▪ The coinsurance paid for hospital inpatient services</li> <li>▪ The coinsurance paid for other covered expenses</li> <li>▪ Coinsurance and other expenses for treatment of substance abuse (alcohol and/or drug) and mental health conditions</li> <li>▪ The private room co-payment</li> <li>▪ The emergency room co-payment</li> <li>▪ Prescription drug co-payments</li> </ul>	<ul style="list-style-type: none"> <li>▪ The calendar year deductible</li> <li>▪ Expenses in excess of the allowable charge</li> <li>▪ Expenses in excess of Plan maximum limits</li> <li>▪ Utilization review penalties</li> <li>▪ Services not covered by the Plan including all those found in the <i>Medical Limitations and Exclusions</i> section</li> <li>▪ Generic drug differential amounts</li> <li>▪ Services not considered medically necessary</li> </ul>

### ***Summary of Base Coverage Medical Benefits***

This is only a summary of the medical benefits under the Base Coverage. It does not provide all details and provisions of the Plan. Some limitations and exclusions apply and can be found within the *Plan Document*.

		<b>In-Area Participants</b>		<b>Out-of-Area Participants</b>	
		<b><i>In-Network</i></b>	<b><i>Out-of-Network</i></b>	<b><i>In-Network</i></b>	<b><i>Out-of-Network</i></b>
<b>Lifetime Maximum Benefits</b>		<b>\$1,000,000</b>			
<b>Calendar Year Deductible – Individual Coverage</b>		<b>\$1,050</b>		<b>\$1,050</b>	
<b>Calendar Year Deductible – Family Coverage</b>		<b>\$2,100</b>		<b>\$2,100</b>	
<b>Coinsurance Maximum – Individual Coverage</b>	<b>\$2,450</b>	<b>\$3,950</b>	<b>\$2,450</b>	<b>\$3,950</b>	
<b>Coinsurance Maximum – Family Coverage</b>	<b>\$4,900</b>	<b>\$7,900</b>	<b>\$4,900</b>	<b>\$7,900</b>	
<b>All benefits are subject to the deductible unless otherwise noted in the Covered Services section.</b>					
<b>Physician Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Hospital –In-patient</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Hospital –Out-patient</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Emergency Room</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>X-Rays, Laboratory</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Adult Wellness/Preventive Services</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>	
<b>Maternity – Attending Physician</b>	<b>100%</b>	<b>90%</b>	<b>100%</b>	<b>90%</b>	
<b>Maternity – Hospital; Other Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Well-Child Care (Birth to 2 Years of Age)</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>	
<b>Ambulatory Surgical Facility</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Cardiac Rehabilitation (outpatient)</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Chiropractic Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Durable Medical Equipment</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Home Infusion Therapy</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Nurse Practitioner</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Occupational Therapy</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Optometric Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Organ Transplants</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Physical Therapy</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Private Duty and Home Health Nursing Services</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>Speech Therapy</b>	<b>80%</b>	<b>60%</b>	<b>80%</b>	<b>75%</b>	
<b>High Option for Children</b>					
<b>Well-Newborn Nursery Care</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>	
<b>Well-Child Physician Office Visits</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>	
<b>Specified Routine Tests</b>	<b>100%</b>	<b>Not Covered</b>	<b>100%</b>	<b>Not Covered</b>	

	In-Area Participants		Out-of-Area Participants	
	<i>In-Network</i>	<i>Out-of-Network</i>	<i>In-Network</i>	<i>Out-of-Network</i>
Childhood Routine Immunization	80%	Not Covered	80%	Not Covered

### ***Additional Benefits***

Coverage for the services listed below are subject to the calendar year deductible of \$1,050 individual/\$2,100 family and the **in-network** coinsurance maximum of \$2,450 individual/ \$4,900 family. These services are not eligible for an out-of-network review.

Benefit	In-Area Participants		Out-of-Area Participants	
	<i>In-Network</i>	<i>Out-of-Network</i>	<i>In-Network</i>	<i>Out-of-Network</i>
Accidental Injury to Natural Teeth	80%	75%	80%	75%
Anesthesia	80%	75%	80%	75%
Podiatry Services	80%	75%	80%	75%
Ambulance	80%	75%	80%	75%
Medical Supplies	80%	75%	80%	75%
Prosthetic and Orthotic Procedures and Devices	80%	75%	80%	75%
TMJ	80%	75%	80%	75%

### ***Mental Health/Substance Abuse Benefits***

Coverage for those services listed below are subject to the calendar year deductible of \$1,050 individual/\$2,100 family and the **in-network and out-of-network** coinsurance maximums. These services are not eligible for an out-of-network review.

Benefit	In-Area Participants		Out-of-Area Participants	
	<i>In-Network</i>	<i>Out-of-Network</i>	<i>In-Network</i>	<i>Out-of-Network</i>
<b>Substance Abuse</b>				
Inpatient	80%	75%	80%	75%
Outpatient	50%	50%	50%	50%
Intensified Outpatient Program	50%	50%	50%	50%
<b>Mental Health</b>				
Inpatient	80%	75%	80%	75%
Outpatient	50%	50%	50%	50%
Day Treatment/ Partial Hospitalization	80%	75%	80%	75%

## ***Health Insurance Eligibility and Enrollment***

### ***Enrollee Eligibility***

The following persons are eligible for coverage:

- **A full-time employee who:**
  - receives compensation directly from one of the following Mississippi public entities:
    - ◇ department, agency, or institution of State Government,
    - ◇ public school district,
    - ◇ community /junior college,
    - ◇ institution of higher learning, or
    - ◇ public library
  - works for the State's judicial branch,
  - works for the State's legislative branch,
  - works as a full-time salaried Judge,
  - works as a full-time salaried District Attorney, or is a member of his staff,
  - works as a full-time compulsory school attendance officer, or
  - works for a university based program authorized under state law for deaf, aphasic, and emotionally disturbed children.
- **A regular non-student school bus driver.**
- **A COBRA participant.**
- **A retired employee.**
- **A surviving spouse.**

NOTE: Any employee participating in the Plan who receives retirement benefits from the Mississippi Public Employees' Retirement System (PERS) must be covered as a retiree and not as an active employee.

### ***Dependent Eligibility***

Eligible dependents include the following:

- The enrollee's legal spouse as defined by Mississippi law, unless the spouse is also an eligible employee under the Plan.
- The enrollee's unmarried child up to age 19, or up to age 25 if he is a full-time student. Full-time students must be enrolled in 12 or more semester hours (or its equivalent) of course work, attend an accredited high school, college, or university, and be dependent on the enrollee for support. When a student reaches the age of 25, he is terminated from the Plan even if he is still a full-time student.

- The term “child” includes the following:
  - Natural child
  - Stepchild
  - Legally adopted child
  - Child placed in the enrollee’s home in anticipation of adoption
  - Child for whom the enrollee is legal guardian
  - Child for whom the enrollee has legal custody
  - Child of the enrollee who is required to be covered by reason of a Qualified Medical Child Support Order

The enrollee’s unmarried dependent child is eligible for coverage at any age provided the dependent is permanently mentally or physically disabled, so incapacitated as to be incapable of self-sustaining employment, and dependent upon the enrollee for 50% or more support. The disabling condition must have occurred prior to the dependent’s 19<sup>th</sup> birthday (unless already covered by the Plan as a student, in which case the condition must have occurred prior to the dependent’s 25<sup>th</sup> birthday). The enrollee must provide written proof of the incapacity (including documentation from a physician). Neither a reduction in work capacity nor an inability to find employment is, of itself, evidence of incapacitation. Coverage may continue for as long as the incapacitation exists and the enrollee remains covered under the Plan.

Proof of disability must be provided to Blue Cross & Blue Shield 31 days prior to the date a child would cease to be covered because of age or loss of full-time student status. The Plan reserves the right to request proof of continuous disability.

*It is important to note that the marriage of any dependent child or his entry into full-time military service will end that child’s eligibility, regardless of age or incapacitation.*

### ***Initial Enrollment for New Employees***

Initial enrollment applies to newly eligible active employees. An employee is required to complete an Application for Coverage form to apply for or waive coverage within the first 31 days of employment. The employee’s Social Security number must be provided on the Application for Coverage form in order for an employee to enroll in the Plan. Dependent information on the Application for Coverage form must include birth date, Social Security Number, and mailing address, if different from the enrollee.

An employee who was initially employed before January 1, 2006, is a Legacy Employee. An employee employed on or after January 1, 2006, who has ever been employed by a community/junior college, public library, public school district, State agency or university is a Legacy Employee. An employee initially employed on or after January 1, 2006 is a Horizon Employee.

An employee may choose Base Coverage or Select Coverage at initial enrollment. An employee may apply for High Option for Children under either coverage if covering dependent(s) up to age 18.



If timely application is made and appropriate premiums are paid, the effective date of coverage for the employee and any eligible dependent(s) will be the first day of employment. If an employee does not enroll or if he waives coverage within 31 days of employment, application may be made only during an open enrollment or special enrollment period. Enrollment periods are discussed later in this section.

All new employees and their dependents applying for coverage are subject to a twelve (12) month pre-existing condition exclusion period. If the enrollee and/or dependents had other health care coverage defined as “creditable coverage” under the Health Insurance Portability and Accountability Act (HIPAA), and that other coverage terminated within 63 days of the effective date with this Plan, the prior health coverage will be credited against the 12-month pre-existing condition exclusion under the Plan. In order to reduce the pre-existing condition exclusion period, the employee must provide proof of prior creditable coverage.

### ***High Option for Children***

An enrollee may apply for High Option for Children, if the enrollee has a covered dependent or is adding a dependent under the age of 18.

### ***Disabled Dependent***

New employees who wish to enroll a disabled dependent must submit a Handicapped Dependent form along with the Application for Coverage form. This form can be obtained from Blue Cross & Blue Shield. Blue Cross & Blue Shield will make final determination of disability. The disabling condition must have occurred prior to the dependent’s 19<sup>th</sup> birthday.

### ***Student Verification***

Student verification letters to confirm student status are sent by Blue Cross & Blue Shield to enrollees with covered dependent children at the time the dependent child becomes nineteen (19). If the enrollee does not verify full-time student status prior to a dependent child’s 19<sup>th</sup> birthday, coverage for the dependent will end at the end of the month in which he turns 19. Written proof of full-time student status may be requested at any time. Such proof may be required in order for a dependent child between the ages of 19 and 25 to remain covered under the Plan.

### ***Right to Request Documentation***

If required, documentation of dependent relationship, such as marriage license or birth certificate, must be provided. To enroll a child due to adoption, placement in anticipation of adoption, legal guardianship, or legal custody, a copy of the applicable court order must be submitted with the Application for Coverage form.

### ***Paying for Coverage***

The State pays the cost of coverage for all active Legacy Employees. The State pays the cost of Base Coverage for all active Horizon Employees. Horizon Employees may enroll in Select Coverage and pay a portion of the premium. The cost for dependent coverage is the enrollee’s

responsibility under both coverage types. Premiums for the cost of dependent coverage for active employees are paid through payroll deductions.

### ***Special Rules for When Both Spouses are Employees***

If both husband and wife are eligible employees, they may be covered by the Plan as employees but not as a dependent of their spouse. In addition, dependent children may be covered as dependents of only one of the parents/stepparents. At no time may a dependent be covered under more than one contract under this Plan.

If one spouse terminates employment, he may be added as a dependent under the remaining employee's coverage. In order for the terminated spouse to be added as a dependent, the remaining employee must complete an Application for Coverage form within 31 days of their spouse losing coverage under the Plan.

### **Plan Enrollment Periods**

Enrollment periods for retirees and surviving spouses can be found in the *Retiree Eligibility and Medical Coverage* section.

### ***Open Enrollment for Active Employees***

Each October during the annual open enrollment period, an employee may choose to elect coverage for himself or his eligible dependents. The coverage elected during open enrollment takes effect on January 1<sup>st</sup> of the following calendar year. Coverage elected during an open enrollment period is subject to an 18-month pre-existing condition exclusion period. A participant will receive credit for prior creditable coverage that occurred without a break in coverage of 63 days or more.

An employee may choose either Base Coverage or Select Coverage during open enrollment. An employee may also apply for High Option for Children at this time, if covering dependent(s) under the age of 18.

### ***Open Enrollment for COBRA Participants***

Each October during the annual open enrollment period, a COBRA participant may choose to elect coverage for his eligible dependent(s). The coverage elected during open enrollment takes effect on January 1<sup>st</sup> of the following calendar year. Coverage elected during an open enrollment period is subject to an 18-month pre-existing condition exclusion period. A participant will receive credit for prior creditable coverage that occurred without a break in coverage of 63 days or more.

A COBRA participant may choose either Base Coverage or Select Coverage during open enrollment. A COBRA participant may also apply for High Option for Children at this time, if covering dependent(s) under the age of 18.

### ***Special Enrollment Periods***

Special enrollment periods are only allowed in specific circumstances. Generally, a special enrollment period arises when an employee or an eligible dependent loses coverage under another health plan or when an enrollee gains a new eligible dependent.

Employees enrolling or dependents added during a special enrollment period are subject to a 12-month pre-existing condition exclusion period. The 12-month pre-existing condition exclusion period does not apply to newborns or newly adopted children enrolled within 31 days of birth or adoption. A participant will receive credit for prior creditable coverage that occurred without a break in coverage of 63 days or more.

An enrollee may apply for High Option for Children during a special enrollment period.

NOTE: An enrollee adding coverage due to a special enrollment event may change coverage types (Base to Select, or Select to Base). Each coverage type is independent of the other; therefore, there is no deductible or out-of-pocket credit if an enrollee changes coverage types during a calendar year.

### ***Special Enrollment Periods resulting from loss of coverage***

An employee, dependent of a covered employee, or dependent of a COBRA participant who loses coverage under another health plan will be eligible to enroll for coverage in the Plan if the following apply:

- The employee declined coverage for himself or his dependents when first eligible because the employee or dependent was covered by other health insurance coverage; or the COBRA participant declined coverage for his dependent when first eligible because the dependent was covered by other health insurance coverage; and
- The employee or dependent lost other coverage as a result of any of the following qualifying events:
  - Divorce.
    - The employee or dependent is no longer eligible for coverage. (Loss of coverage due to non-payment of premiums does not qualify.)
    - The employer ceased to contribute toward the cost of the other health plan, and it was terminated.
    - The employee or dependent's COBRA continuation has run out.

To enroll for coverage under these circumstances, an Application for Coverage form must be submitted within 31 days of losing coverage under the other plan and appropriate premium payments must be made. As part of the application process, proof of loss of coverage must be provided. If these requirements are met, coverage under the Plan will take effect the first day following the loss of other coverage.

***Special Enrollment Period as a result of gaining a new dependent***

An enrollee may enroll a new dependent for coverage if the new dependent was acquired as a result of any of the following qualifying events:

- Marriage,
- Birth,
- Adoption, or placement in anticipation of adoption,
- Legal custody,
- Legal guardianship, or
- Qualified Medical Child Support Order.

If an active employee is not covered by the Plan at the time of this qualifying event, he may enroll himself and any other eligible dependent(s).

To enroll for coverage under these circumstances, an Application for Coverage form must be submitted within 31 days of the event, and appropriate premium payments must be made. As part of the application process, the enrollee may be required to provide proof of the qualifying event. If these requirements are met, coverage under the Plan will take effect as of the date of the qualifying event. (In the case of a Qualified Medical Child Support Order, the coverage will be effective the 1<sup>st</sup> day of the month following the date of the order.) A copy of the procedures regarding QMCSOs can be obtained, without charge, by contacting the Department of Finance and Administration, Office of Insurance.

NOTE: If an enrollee is applying for coverage for a newborn, the Application for Coverage form must be submitted within 31 days of the child's date of birth even if a Social Security number for the newborn is not available at the time. The Social Security number can be provided when received from the Social Security Administration.

***Special Enrollment Period for a dependent returning to full-time student status***

An eligible dependent between the ages of 19 and 25 who is returning to school as a full-time student at an accredited high school, college, or university, may be enrolled for coverage under the Plan. The date of the qualifying event is the date the dependent returns to school.

An Application for Coverage form must be submitted within 31 days of the qualifying event, and the appropriate premium payments must be made. The effective date of the coverage will be the date of the qualifying event.

***IMPORTANT NOTE***

**If the enrollee does not apply for coverage for himself or his eligible dependents during any of the special enrollment periods described above, application cannot be made until an open enrollment period.**

### ***Creditable Coverage***

Creditable coverage is health care coverage as defined under the Health Insurance Portability and Accountability Act (HIPAA). Creditable coverage includes comprehensive medical coverage under group health plans, individual health insurance, Medicare Part A, state health benefit risk pools, and public health plans such as Medicaid or the Children's Health Insurance Program. A participant will receive credit for prior creditable coverage that occurred without a break in coverage of 63 days or more. Any coverage occurring prior to a break in coverage of 63 days or more will not be credited against a pre-existing condition exclusion period.

### ***Transferring Within The Plan***

If an employee transfers between employer units, begins full-time employment with the new employer unit at any time during the following month, and completes an Application for Coverage form within 31 days of his date of employment, there will be no break in coverage.

The employee may choose Base Coverage or Select Coverage at this time. Each coverage type is independent of the other; therefore, there is no deductible or out-of-pocket credit if an employee changes coverage types when transferring to a new employer unit during the year. The employee may also add eligible dependents at this time and may apply for High Option for Children. The employee must complete an Application for Coverage form with the new employer unit within 31 days of his date of employment.

### ***Coverage During the Summer Months for Employees of a School District, Community/Junior College, or University***

- **A covered school employee** who is off for summer recess is entitled to continuous insurance coverage during the summer months.
- **A covered school employee** who leaves one employer unit at the end of the school year, does not work for an employer unit during the summer months, and becomes employed by another employer unit when the school calendar resumes in the fall, will remain covered by the old employer unit until August 31<sup>st</sup>. Coverage with the new employer unit will begin September 1<sup>st</sup>.

<b>Covered by old employer unit</b>	<b>Covered by new employer unit</b>
Through August 31 <sup>st</sup>	Beginning September 1 <sup>st</sup>

- **A covered school employee** who leaves one employer unit at the end of the school year, and becomes employed by another employer unit during the summer months will remain covered by the old employer unit until the end of the month in which the employee transfers. Coverage under the new employer unit will be effective on the first of the month following the transfer.

### ***Address Changes***

An enrollee's address must be kept up to date to ensure that he receives all communications regarding life and health insurance coverage. Active employee's address changes must be submitted to the employee's employer unit. Retirees and COBRA participants must submit address changes to Blue Cross & Blue Shield in writing.

### ***When Coverage Ends***

An active employee's coverage under the Plan ends at the end of the month in which he terminates from full-time employment. Coverage will also end if any required contributions are not paid, or if the Plan is terminated for some reason. Dependent coverage ends at the same time or at the end of the month in which the Plan is made aware that a dependent is no longer eligible. Coverage ends at the end of the month in which the employee or dependent loses eligibility or contributions cease.

Termination of coverage ends all rights of the participant to benefits under the Plan as of the effective date of coverage termination.

**If a school employee** terminates employment at the end of a school year, coverage will end according to this chart:

<b>Receive Final Check June 30</b>	<b>Receive Final Check July 31</b>
Coverage ends June 30 <sup>th</sup>	Coverage ends July 31 <sup>st</sup>

**If a school employee** terminates employment at the end of the school year, but returns to work (with either the same or new district or college) no later than September 1<sup>st</sup> of the following school year, coverage in the Plan will be reinstated. Reimbursement will be made for any COBRA premiums paid.

**If a school employee** does not terminate employment at the end of the school year but does not return to work for the fall semester, coverage will terminate at the end of the month in which the school begins fall semester.

### ***Canceling Dependent Coverage***

To terminate coverage for a dependent, an enrollee must complete an Application for Coverage form, except when termination occurs as a result of employee's termination of employment. Retroactive terminations are not allowed.

Termination of coverage ends all rights of the participant to benefits under the Plan as of the effective date of coverage termination.

## ***Covered Services***

Benefits are provided for the services listed in this section. All benefits are subject to the calendar year deductibles and the allowable charge, unless otherwise noted. Participants in Base Coverage or Select Coverage should refer to the Summaries of Benefits for coinsurance amounts. Benefits are provided for covered expenses incurred by a participant as a result of a non-occupational injury or non-occupational illness, only as expressly provided in this Plan.

### ***Ambulance***

Medically necessary transportation by means of a specially designed and equipped vehicle used only for transporting the sick and injured:

From the place where the participant is injured or stricken by illness to the nearest appropriate hospital where treatment is to be given;

From a hospital where the participant is an inpatient to another hospital or freestanding facility to receive specialized diagnostic or therapeutic services not available at the hospital of origin and back to the hospital of origin after such services have been rendered, or;

From a hospital to another hospital when the discharging hospital has inadequate treatment facilities.

### ***Ambulatory Surgical Facility***

Ambulatory surgical facility services are as follows:

- Pre-operative laboratory procedures directly related to a surgical procedure.
- Pre-operative preparation.
- Use of facility (operating rooms, recovery rooms, and surgical equipment).
- Anesthesia, drugs, and surgical supplies.

### ***Cardiac Rehabilitation - Outpatient***

Benefits for outpatient cardiac rehabilitation are provided for patients with a clear medical need, referred by the attending physician. Prior approval must be obtained from Blue Cross & Blue Shield. The attending physician must submit a formal treatment plan to Blue & Cross Blue Shield (including number of visits, duration of therapy, and expected outcomes).

Participants must use a cardiac rehabilitation program that is certified by the American Association of Cardiovascular and Pulmonary Rehabilitation (AACVPR). Participants can contact Blue Cross & Blue Shield to locate a certified provider.

Services provided in connection with a cardiac rehabilitation program may be considered reasonable and necessary for up to 36 sessions, usually 3 sessions a week in a single 8-12 week period. Maintenance or exercise therapy is not covered.

### ***Chiropractic Services***

Chiropractic services are limited to a maximum of \$1,500 per participant during a calendar year. Only manipulative therapy services apply to the \$1,500 maximum. Payments for x-rays or laboratory services are not applied toward this maximum.

### ***Dental Services***

Dental services are not covered under the Plan except for the following:

Coverage is provided for dental care, treatment, dental surgery, and dental appliances made necessary by accidental bodily injury to sound and natural teeth (which are free from effects of impairment or disease) caused solely through external means. The accidental injury must have occurred while the participant is covered under the Plan or as a direct result of a disease covered by the Plan. Injury to teeth as a result of chewing or biting is not considered an accidental injury.

Coverage is provided for inpatient hospital services/supplies and associated anesthesia services for dental care and treatment and dental or oral surgery if the hospital stay is determined to be medically necessary by Intracorp.

Coverage is provided for outpatient hospital or ambulatory surgical facility services/supplies and associated anesthesia services for dental care if it is determined to be medically necessary by Blue Cross & Blue Shield.

Except as indicated above, benefits are not provided for dental services including, but not limited to, the following:

- In-mouth appliances, crowns, bridgework, dentures, tooth restorations, or any related fitting or adjustment services, whether or not the purpose of such services or supplies is to relieve pain
- Extraction of wisdom teeth
- Removal, repair, replacement, restoration, or reposition of teeth lost or damaged in the course of biting or chewing
- Repair, replacement, or restoration of fillings, crowns, dentures, or bridgework
- Periodontal treatment (i.e., gum disease)
- Dental cleaning, in-mouth scaling, planning, or scraping
- Myofunctional therapy (muscle training therapy or training to correct or control harmful habits)
- Root canal therapy
- Routine tooth removal
- Any dental service or treatment not associated with an accidental injury or as a direct result of a disease covered by the Plan
- TMJ, except to the extent coverage is specifically provided in this *Plan Document*



### ***Diagnostic Services - X-rays and Laboratory Services***

Medically necessary diagnostic services, such as x-rays and laboratory examinations, are covered. For diagnostic services during routine examinations, see *Wellness/Preventive Coverage*. Refer to the *Medical Management and Utilization Review* section for certification requirements for specified outpatient diagnostic tests.

Outpatient diagnostic tests requiring certification:

- CAT Scan
- Colonoscopy
- MRI Scan
- UGI Endoscopy/EGD

### ***Durable Medical Equipment***

Durable medical equipment (DME) must be prescribed by the attending physician and determined by Blue Cross & Blue Shield to be medically necessary for treatment of the illness or injury or to prevent the participant's further deterioration. Prior approval by Blue Cross & Blue Shield is recommended. DME is an item that must be (1) made to withstand repeated use; (2) primarily used to serve a medical purpose rather than for comfort or convenience; (3) generally not useful to a person in the absence of illness, injury, or disease; and (4) appropriate for use in the participant's home.

Benefits for DME are based on the allowable charge for basic equipment. Benefits for any deluxe item will be limited to the allowable charge for the basic version of the item. If special features are medically necessary to maintain or promote patient mobility or function, Blue Cross & Blue Shield may approve those features. DME may be rented or purchased, based on Blue Cross & Blue Shield's determination. Rental fees cannot exceed the cost of buying the item. A DME claim must include a letter explaining medical necessity from the physician.

### ***Emergency Room Services***

Benefits are provided for treatment in a hospital emergency room. A \$50 emergency room co-payment per visit will apply after the first emergency room visit in any calendar year. The emergency room co-payment will not be charged after a participant in Base Coverage has met the coinsurance/co-payment maximum.

### ***Home Infusion Therapy***

Benefits are provided for home infusion therapy services approved by Intracorp for treatment in the patient's home. Intracorp must certify services as medically necessary prior to beginning the therapy.

Covered expenses for Home Infusion Therapy are limited to the following:

<ul style="list-style-type: none"><li>▪ Prescription drugs</li><li>▪ Intravenous solutions</li><li>▪ Durable medical equipment</li><li>▪ Pharmacy compounding and dispensing services</li><li>▪ Fees associated with drawing blood for the purpose of monitoring response to therapy</li></ul>	<ul style="list-style-type: none"><li>▪ Therapist services</li><li>▪ Ancillary medical supplies</li><li>▪ Nursing visits – including initiation of home infusion therapy, intravenous restarts, and emergency care when medically necessary to provide home infusion therapy</li></ul>
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## ***Hospital Services***

Covered inpatient and outpatient hospital services and supplies include the following:

- Hospital room and board (including dietary and general nursing services), subject to the \$20 per day private room co-payment
- Operating or treatment rooms
- Anesthetics and their administration
- Intravenous injections and solutions
- Physical/ Occupational/ Speech therapy
- Radiation therapy
- Oxygen and its administration
- Diagnostic services
- Intensive, coronary, and Burn Care Unit services
- Drugs and medicines, sera, biological and pharmaceutical preparations used during hospitalization, including charges for take-home drugs
- Dressings and supplies
- Blood transfusions, including the cost of whole blood, blood plasma and expanders, except for the first 3 pints of blood used during inpatient admission or outpatient service
- Psychological testing when ordered by the attending physician

All inpatient admissions to a hospital require certification by Intracorp. Inpatient rehabilitative services are limited to acute short-term care in a hospital or rehabilitation hospital as approved by Intracorp.

The private room co-payment will not be charged after a participant in Base Coverage has met the coinsurance/co-payment maximum

## ***Mastectomy***

The following services related to medically necessary mastectomies are covered:

- ♦ Reconstruction of the breast on which the mastectomy has been performed;
- ♦ Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- ♦ Prostheses and care of physical complications of mastectomy, including lymphedemas, in a manner determined in consultation with the attending physician and patient.

## ***Maternity***

Maternity benefits are provided to covered enrollees or covered spouses. Other female dependents are not eligible for maternity benefits. See the *Medical Management and Utilization Review* section for more information.

- The attending physician will be reimbursed for covered routine prenatal care and delivery at 100% of the allowable charge (90% for non-participating physician), not subject to the calendar year deductible.

Benefits for the following prenatal laboratory and diagnostic procedures will be provided at 100% of the allowable charge (90% for non-participating physician), not subject to the calendar year deductible:

<b>Prenatal Laboratory and Diagnostic Procedures</b>	<b>Limit Per Pregnancy</b>
Initial Obstetric Screening Panel	1
Ultrasound	2
Urinalysis, screening dip stick	3
Urinalysis, spun	1
Hemoglobin/Hematocrit	2
Antibody Test for Rh-Negative (if unsensitized)	1
Alpha-fetoprotein	1
Diabetes Screening	1
Cervical Cytology (PAP)	1

Regular Plan benefits will be provided for other prenatal laboratory and diagnostic procedures, inpatient hospital delivery, and other covered services.

Hospital nursery care of a healthy newborn child is not covered by the Plan, unless the enrollee elects High Option for Children.

As soon as a participant finds out that she is pregnant, she should call Intracorp to participate in the voluntary maternity management program. This program is an education and monitoring service that provides:

- Early identification of risk factors,
- High-risk screening,
- Pregnancy education and support, and
- Ongoing monitoring.

The participant is encouraged to enroll in the program as soon as she knows she is pregnant. Intracorp must be contacted within the first 4 months of pregnancy in order to participate. An obstetrical review specialist will explain how the maternity management program works and how it can help improve the prospects for a healthy pregnancy and delivery. As part of the program, the participant will receive an educational book and access to a special nurse line for any questions that arise during the pregnancy. All services provided in this program are at no cost to the participant.

***Important Note: Whether or not the participant chooses to participate in the maternity management program, she is still responsible for certifying the hospital admission for delivery.***

#### ***Adding a Newborn***

In order for a newborn to be covered from date of birth, an Application for Coverage form must be completed within 31 days of the date of birth (see *Special Enrollment Periods*) and the appropriate premiums must be paid. Reporting the baby's birth by phone to Intracorp or Blue Cross & Blue Shield does not automatically add the baby to the enrollee's coverage.

***Medical Supplies***

Medical supplies such as oxygen, crutches, splints, casts, trusses and braces, syringes and needles, catheters, and colostomy bags and supplies are covered, based on medical necessity.

***Mental Health Services***

All in-patient hospital admissions for mental health services must be certified as medically necessary by Intracorp.

The following is a list of covered services, provided the treatment is determined medically necessary:

- Inpatient stabilization services for up to 30 days per calendar year (hospitalization after stabilization is achieved is not covered)
- Mental health day treatment or partial hospitalization programs for up to 60 days per calendar year
- Outpatient treatment up to 52 visits per calendar year

Mental health services must be provided by an appropriately licensed psychiatrist, psychologist, clinical social worker, or professional counselor in order to be eligible for coverage.

Mental health services provided in a residential facility are not covered.

***Nursing Services - Private Duty and Home Health***

Nursing services of a practicing Registered Nurse (RN) or Licensed Practical Nurse (LPN) are covered when those services meet the following criteria:

- Are ordered and supervised by a physician,
- Require the technical skills of an RN or LPN,
- Are certified by Intracorp to be provided in the home instead of the hospital, and
- Are certified by Intracorp as medically necessary prior to initiation.

Benefits for private duty and home health nursing services are limited to \$10,000 per calendar year.

No nursing benefits will be provided for:

- Services of a nurse who ordinarily lives in the patient's home or is a member of the patient's family
- Services of an aide, orderly, companion, or sitter
- Nursing services provided in a nursing facility or a personal care facility

### ***Occupational Therapy***

Occupational therapy services are covered when prescribed by the participant's physician and specified in a treatment plan. Blue Cross & Blue Shield may require proof of medical necessity. Services must be provided by a licensed occupational therapist.

### ***Physical Therapy***

Physical therapy services are covered when prescribed by the participant's physician and specified in a treatment plan. Blue Cross & Blue Shield may require proof of medical necessity. Services must be provided by a licensed physical therapist.

### ***Physician Services***

The following physician services are covered:

- In-hospital medical care
- Medical care in the physician's office, patient's home, or elsewhere
- Surgery and assistance at surgery (when appropriate and provided by a physician practicing within the scope of his license)
- Consultations
- Administration of anesthesia
- Radiation therapy
- Obstetrical care
- X-rays and laboratory tests performed in a physician's office, except when performed during routine examinations, unless applied to the wellness benefit
- Psychiatric and psychological services for mental health treatment
- Allergy testing
- Covered dental care
- Dialysis treatment

Benefits for physician services are allowed based upon the coding guidelines used by Blue Cross & Blue Shield.

### ***Multiple Surgery***

Special rules apply to multiple surgery procedures performed by the same physician during the same operation. If more than one surgical procedure is performed during the same operation through one or more routes of access, the allowable charge will be calculated as follows:

$$\begin{array}{l} \text{The amount payable} \\ \text{for the primary} \\ \text{procedure} \end{array} + \begin{array}{l} \text{50\% of the allowable charge that} \\ \text{would have been allowed for each of} \\ \text{the additional procedures had those} \\ \text{procedures been performed alone.} \end{array}$$

Any of the costs associated with additional procedures (incidental procedures) not essential to the purpose of the primary procedure are not covered.

***Prosthetic or Orthotic Devices***

Covered services include the purchase and initial placement of prosthetic or orthotic devices, and the fitting, repair, or replacement when medically necessary. No shoe build-up, shoe orthotic, shoe brace, or shoe support is covered unless the shoe is attached to a brace.

***Sleep Disorders***

Services and supplies for the diagnosis and treatment of Obstructive Sleep Apnea Syndrome (OSAS) or other sleep disorders must be received in a sleep disorder center or laboratory, either affiliated with a hospital or freestanding, which is accredited by the American Academy of Sleep Medicine (AASM). Participants can contact Blue Cross & Blue Shield to locate an accredited facility. The interpretation of all sleep tests must be performed by a physician who is board certified as a sleep specialist by the American Board of Sleep Medicine.

***Speech Therapy***

Speech therapy services are covered if needed as the result of an illness or injury, there is a reasonable expectation that the therapy will achieve measurable improvement within a reasonable and predictable period, and services are prescribed by a physician and provided by a licensed speech therapist.

Speech therapy is not covered for maintenance speech, delayed language development, articulation disorders, learning disabilities, attention disorders, psychosocial speech delay, behavioral problems, conceptual handicap, mental retardation, stammering, or stuttering.

***Substance Abuse***

All inpatient hospital admissions for substance abuse treatment must be certified as medically necessary by Intracorp.

The following services are covered, provided the treatment is considered medically necessary:

- Inpatient stabilization services or intensive outpatient hospital programs associated with a hospital (inpatient rehabilitative services after stabilization/detoxification is achieved are not covered)
- Outpatient substance abuse treatment

The combined benefit for inpatient and outpatient substance abuse treatment is limited to \$8,000 per calendar year and a lifetime maximum of \$16,000 per participant.

Substance abuse services provided in a residential facility are not covered.

***Temporal Mandibular Joint Syndrome (TMJ)***

Benefits for surgery and diagnostic services of the temporomandibular/cranio-mandibular joint are provided, up to a lifetime maximum benefit of \$5,000. Benefits are not provided for physical therapy, orthodontics, dentures, occlusional reconstruction, or for crowns or inlays.

### ***Transplants***

All solid human organ and bone marrow/stem cell transplants must be certified as medically necessary by Intracorp and are subject to the following provisions:

- The condition requiring the transplant is life-threatening;
- The transplant for the condition is the subject of an ongoing phase III clinical trial or has been approved by US Food and Drug Administration;
- The procedure follows a written protocol that has been reviewed and approved by an institutional review board, federal agency, or other such organization recognized by medical specialists who have appropriate expertise; and
- The participant is a suitable candidate for the transplant under the medical protocols used by Intracorp.

For benefits to be paid at the in-network benefit level, the facility where the transplant is performed must be approved by Intracorp.

### **Organ Acquisition Coverage**

Benefits are provided for surgical, storage, and transportation expenses incurred and directly related to the donation of an organ or bone marrow/stem cell used in a covered transplant procedure. If any organ or bone marrow/stem cell is sold rather than donated to the participant, no benefits will be payable for the purchase price. Costs related to evaluation and procurement are covered.

### **Travel Expenses Related to Transplant**

Transportation costs of the transplant recipient and one other person to and from the surgery site, as well as reasonable and necessary cost of meals and lodging for the accompanying person, are covered. If the recipient is a minor, reasonable and necessary expenses for the transportation, meals, and lodging of two other accompanying persons are covered.

Only those travel expenses incurred at the time of the transplant surgery are eligible for reimbursement. Travel expenses incurred as a result of pre-operative and post-operative services are not eligible for reimbursement. The Plan will only reimburse actual travel expenses supported by dated receipts. The amount of reimbursement will not exceed \$10,000 for any single transplant episode.

### Living Donor Coverage

The following chart summarizes when benefits are available for an organ or bone marrow/stem cell transplant from a living donor:

<i><b>If...</b></i>	<i><b>Then...</b></i>
Both the recipient and the donor are Plan participants...	Regular contract benefits provided to the donor will be applied against the recipient's lifetime maximum.
Only the recipient is a Plan participant...	The donor is entitled to regular plan benefits, but only to the extent coverage is not provided by another health care plan. Benefits provided to the donor will be charged against the recipient's lifetime maximum.
When only the donor is a Plan participant...	No benefits are provided.

Benefits for the following services are provided to the donor:

- Search for matching bone marrow, or organ;
- Transportation to and from the surgery site;
- Organ or bone marrow/stem cell removal, withdrawal, and preservation; and hospitalization.

If benefits are approved, reimbursement for covered organ and bone marrow/stem cell transplants will be the same as other covered medical expenses.

### ***Well-Child Care***

Benefits are provided for six (6) well-child care physician office visits to a participating physician from birth to age two (2), subject to the calendar year deductible. No benefits are provided for immunizations or well-newborn hospital nursery care.

The following tests are covered under well-child care benefits: routine venipuncture, glucose, tuberculosis, cytopathology, hemoglobin, hematocrit, CBC, and urinalysis.

*Benefits are only provided when a participating provider renders services.*

### ***Well-Child Care (High Option for Children)***

For an additional premium each month, an enrollee may elect High Option for Children which provides a higher coverage level of well-child benefits for covered dependents up to age 18. This option provides coverage for well-newborn nursery care and well-child physician office visits at 100%. **All benefits under the High Option for Children are subject to the individual calendar year deductible for Select Coverage and family calendar year deductible for Base Coverage.**



Well newborn nursery care while the newborn is hospital-confined after birth includes room, board, and other normal care for which a participating hospital or physician makes a charge.

*Benefits are only provided when a participating provider renders services.*

Under the High Option for Children, immunizations are paid by the Plan at 80%. In addition, the tests provided as part of the regular well-child care benefit are paid at 100%.

***Wellness/Preventive Coverage for Adults***

Wellness/preventive services for participants, **ages 18 and older**, are limited to a maximum benefit of **\$250 annually**. Benefits will be provided at 100% of the allowable charge, for office visits and certain diagnostic tests as defined by the Plan. The diagnostic tests are based on age and gender. These services are not subject to the calendar year deductible.

A list of the covered wellness/preventive tests can be found at the Plan's web site, <http://knowyourbenefits.dfa.state.ms.us> or can be obtained by calling Blue Cross & Blue Shield.

*Benefits are only provided when a participating provider renders services.* Unused benefit amounts do not carry over into subsequent years.

The following services are **not** covered by the wellness/preventive coverage: Dental services, routine foot care, routine eye examinations, routine hearing examination.

## ***Medical Management and Utilization Review***

Intracorp performs medical management services and utilization review for the Plan.

Utilization review is a process to make sure that the care participants receive is medically necessary, delivered in the most appropriate location, and follows generally accepted medical standards. Utilization review provides clinical review and certification of the medical necessity of care. Certification of medical necessity does not guarantee that services are covered. Benefits are subject to the patient's eligibility at the time charges are actually incurred, and to all other terms, conditions, and exclusions of the Plan.

The following services require certification by Intracorp:

- Inpatient hospital admission
- Outpatient CAT Scan
- Outpatient Colonoscopy
- Outpatient MRI Scan
- Outpatient UGI Endoscopy/EGD
- Private duty and home health nursing services
- Solid organ and bone marrow/stem cell transplants
- Home infusion therapy services

### ***Notification Requirements***

It is the participant's responsibility to make sure that Intracorp is notified in advance of certain types of medical services. The notification requirements that apply to inpatient hospital admissions and specified outpatient diagnostic tests are detailed within this section.

Private duty and home health nursing services, solid organ and bone marrow/stem cell transplants, and home infusion therapy services must be certified as medically necessary by Intracorp. See the *Covered Services* section for more information on these services.

Intracorp must be contacted in advance of any anticipated non-emergency hospital admission and immediately following an emergency admission by calling 1-800-523-8739. **Failure to comply with notification requirements will result in financial penalties, reduction of benefits, or denial of benefits.**

*Note: Certification is not required for those participants having Medicare or other primary coverage, unless the service is not covered by the primary coverage. In this case, the service will be subject to the certification process.*

### ***Certifying a Hospital Admission***

For certification review of non-emergency admissions to a hospital or psychiatric or chemical dependency facility, the participant is required to call Intracorp at 1-800-523-8739 as soon as he is advised that he may need to be hospitalized. In all cases, the call must be made as soon as possible but at least 5 days before the admission date. It is the participant's responsibility to ensure that notification requirements are met.

### ***Certifying Maternity Care and Hospitalization***

There is an exception to the 5-day advance notification rule for maternity care. Because of the need to ensure that maternity cases receive the proper case management, Intracorp should be contacted:

- as soon as a pregnancy is confirmed, and no later than the 4th month of pregnancy, and
- within 48 hours of admission for delivery.

Intracorp must also be contacted in the following instances:

- if the newborn requires additional hospital days beyond the mother's length of stay, or
- if the mother is not a Plan participant but the child will be enrolled in the Plan.

For instructions on adding a newborn as a dependent, see *Special Enrollment Period for Newly Acquired Dependents*.

### ***Certifying an Emergency Hospital Admission***

Intracorp must be notified within 48 hours of an emergency admission to a hospital. If the participant is unable to make the call, another party can make the call on the participant's behalf. However, it is the participant's responsibility to ensure that notification requirements are met.

<b>Notification Requirements For Inpatient Hospital Admissions</b>	
<b><i>Type of Admission</i></b>	<b><i>Notification Requirement</i></b>
Non-emergency	As soon as possible, but at least 5 days prior to admission
Maternity	Within 48 hours of admission
Emergency	Within 48 hours of admission

***Weekend and holiday admissions must also be reported within these timeframes.***

If the notification requirements are not met and the inpatient admission is later found to be medically necessary by Intracorp, penalties will be imposed.

***Inpatient Financial Penalties:***

<b><i>Notification</i></b>	<b><i>Definition</i></b>	<b><i>Penalty</i></b>
<b>No Notification</b>	Notification that occurs after discharge or when no notice is received by Intracorp for an inpatient admission.	A \$500 penalty will be imposed if the inpatient admission is later found to be medically necessary.
<b>Late Notification</b>	Notification that occurs: <ul style="list-style-type: none"><li>▪ less than 5 days prior to the admission date, but prior to discharge for a non-emergency admission; or,</li><li>▪ 48 hours after admission, but prior to discharge for an emergency or maternity admission.</li></ul>	A \$250 penalty will be imposed if the inpatient admission is later found to be medically necessary.

***Specified Outpatient Diagnostic Tests***

The following outpatient tests require certification by Intracorp prior to services being rendered:

- CAT Scan – excluding brain and head scans (visual x-ray of soft tissue/bones; specialized x-ray visualization of the body structures)
- Colonoscopy – (internal visualization of colon/lower intestinal tract using lighted instrument for diagnosis or treatment)
- MRI Scan – excluding brain and head scans (magnetic imaging of body structures)
- UGI Endoscopy/EGD (internal visualization of the stomach-upper intestinal track using lighted instrument for diagnosis or treatment)

<b>Notification Requirements for Outpatient Diagnostic Tests</b>	
<b>Non-emergency</b>	As soon as possible, but at least 48 hours prior to test being performed
<b>Emergency</b>	Within 48 hours of test being performed

If the participant fails to meet the notification requirements, penalties will be imposed if the test is later found to be medically necessary by Intracorp.

***Outpatient Financial Penalty:***

<b><i>Notification</i></b>	<b><i>Definition</i></b>	<b><i>Penalty</i></b>
<b>No Notification</b>	Notification that occurs any time notice is given to Intracorp 48 hours after an emergency test is performed or any time after a non-emergency test is performed.	A \$100 penalty will be imposed if the outpatient service is deemed medically necessary based on retrospective review.

### ***Non-Certification of Medical Necessity***

If Intracorp determines services are not medically necessary, or are being provided at a level of care inconsistent with the standard form of managed care environments, Intracorp will advise the participant and/or the treating physician that coverage cannot be guaranteed. **No benefits will be provided for any service related to an inpatient hospital admission or specified outpatient diagnostic test that is determined by Intracorp (either before or after the admission) to be not medically necessary.**

### ***Retrospective Review***

If Intracorp is not notified of an inpatient admission or outpatient diagnostic test, a retrospective review may be performed. A retrospective review may be performed when Intracorp is contacted **after** discharge from an inpatient admission or 48 or more hours after a specified outpatient diagnostic test was performed.

### ***Medical Case Management***

Intracorp may perform medical case management for those participants who have a complicated, catastrophic, or chronic condition. Through medical case management, Intracorp may elect to (but is not required to) extend covered benefits beyond the benefit limitations and/or cover alternative benefits for cost-effective health care services and supplies that are not otherwise covered under the Plan. The decision to provide extended or alternative benefits is made on a case-by-case basis to participants who meet Intracorp criteria.

### ***Smart Steps, a Disease State Management Program***

Plan participants with certain chronic conditions are enrolled in a disease state management program called Smart Steps, administered by Intracorp. Smart Steps is voluntary, completely confidential, and provided at no cost to participants.

Smart Steps provides help, support, and education for participants living with:

Cardiac Disease	Diabetes
Asthma	Low Back Pain
Chronic Obstructive Pulmonary Disease (COPD)	Hepatitis C
Acid-related Disorders	Atrial Fibrillation
Decubitus Ulcer	Fibromyalgia
Inflammatory Bowel Syndrome	Osteoarthritis
Irritable Bowel Syndrome	Osteoporosis
Urinary Incontinence	

Special features of the Smart Steps program include:

- A Personal Care Specialist, who is a disease state management nurse, is assigned to the participant
- Personalized counseling about the participant's specific health condition
- Helping the participant achieve health goals
- An individualized care plan about nutrition, exercise, and other areas
- Educational materials
- Access to community resources
- Access to recorded information on more than 700 health and medical topics

The program does not replace care provided by the participant's physician. The Personal Care Specialist will work with the participant's physician to coordinate care. For information on the Smart Steps program or to stop participation in the program, contact Intracorp at 1-800-523-8739.

## ***Medical Limitations and Exclusions***

In addition to the benefit limitations and exclusions discussed elsewhere in this *Plan Document*, the following are either limited or not covered by the Plan.

Abortion	Not covered, unless documented to be medically necessary to preserve the life or physical health of the mother.
Acupuncture/Biofeedback	Not covered.
Allowable Charge	Charges exceeding the allowable charge are not covered.
Assistant at surgery	Not covered, unless services are rendered by a physician.
Blood	The first three (3) pints of blood used during each inpatient admission or outpatient service are not covered.
Canceled or Missed Appointments	Not covered.
Charity Hospital, Public Mental Institution, Sanatorium	Services for which the participant has no legal obligation to pay or for which no charge would be made if the participant had no health insurance coverage are not covered.
Chelation Therapy	Not covered, except for treatment of acute heavy metal poisoning.
Coding	Charges resulting from inappropriate coding, as determined by Blue Cross & Blue Shield are not covered.
Convalescent, Custodial, or Domiciliary care	Not covered, including companions and sitters.
Co-payments, Coinsurance, Deductibles	Not covered.
Cosmetic Services	Not covered, except for correction of defects incurred by a participant while covered under the Plan through traumatic injury or disease requiring surgery.
Counseling	Sex therapy and marriage or family counseling are not covered.
Coverage Effective Dates	Services or supplies provided before coverage becomes effective or after coverage ends are not covered.
Dental Services	Not covered, except when services are provided due to an accidental injury to sound natural teeth which occurs while the participant is covered by the Plan or as a direct result of a disease covered by the Plan.

Dental Services (hospital or ambulatory surgical facility services and anesthesia)	Hospital services and supplies for dental care and treatment and dental or oral surgery are not covered unless the inpatient hospital stay is determined medically necessary by Intracorp. Outpatient hospital, ambulatory surgical facility, or anesthesia services are not covered unless determined medically necessary by Blue Cross & Blue Shield.
Diabetic Self-management	Outpatient diabetic self-management training/education and medical nutrition therapy are not covered, except as provided through the disease state management program of the Plan.
Educational Training	Educational training or cognitive therapy is not covered unless otherwise specified in this <i>Plan Document</i> .
Equipment	Equipment that has a non-therapeutic use (such as humidifiers, air conditioners or filters, whirlpools, wigs, vacuum cleaners, fitness supplies, etc.) is not covered.
Experimental/Investigational	Experimental/investigational treatments, procedures, facilities, equipment, and supplies are not covered, as determined by Blue Cross & Blue Shield or Intracorp.
Eye Examinations	Routine eye examinations, eyeglasses, or contact lenses or fittings for them are not covered.
Foot Care	Palliative or cosmetic foot care is not covered.
Gene Manipulation Therapy	Not covered.
Genetic Testing or Counseling	Not covered.
Government Agency	Services or supplies provided by the U.S. or any other government agency, at no charge to the patient, are not covered.
Hair Loss	Services and supplies for the treatment of hair loss are not covered.
Hearing Examinations and Hearing Aids	Not covered.
Holistic Therapies	Not covered.
Hypnosis	Not covered.
Infertility Treatment, Artificial Insemination, Intrauterine Insemination, In-vitro Fertilization, or Reversal of Sterilization	Not covered.
Luxury, Deluxe, or Convenience Items	Not covered.
Massage Therapy	Not covered.
Maternity Benefits	Charges or expenses related to the pregnancy of a dependent other than the spouse are not covered.
Medical Records	Fees for medical records and claim filing are not covered.



Medicare Covered Services	Not covered to the extent that charges for such services or supplies are paid or payable under Medicare, whether or not the participant has such Medicare coverage, whether or not Medicare benefits are claimed or received, or whether or not the participant has elected to obtain such Medicare coverage if eligible.
Mental Health Services	Not covered when the primary diagnosis is substance abuse, alcohol abuse, drug abuse, or a combination of alcohol and drug abuse.
Military Service Connected Injury/Illness	Not covered, except in those cases where enforcement would be prohibited by law.
Not Medically Necessary	Not covered.
Nursery Care	Hospital nursery care of a healthy newborn child is not covered, except for benefits provided under High Option for Children.
Nursing Home, Skilled Nursing Facility, Extended Care, or Personal Care Facility	Not covered.
Obesity Treatment or Weight Loss Therapies	Not covered, regardless of any claim of medical necessity, degree of obesity or clinical diagnosis.
Pre-existing Conditions	Not covered.
Refractive Eye Surgery	Not covered.
Rehabilitation Services	Not covered, unless otherwise specified in this <i>Plan Document</i> .
Related Provider	Services rendered by a provider (physician or other provider) who is related to the participant by blood or marriage or who regularly resides in the participant's household are not covered.
Residential Treatment Facility	Not covered.
Retainer Fees	Fees paid for the purpose of retaining the services of a health care provider are not covered.
Scope of License	Services rendered by a physician or other provider not practicing within the scope of his license at the time and place service is rendered are not covered.
Services Not Specifically Included as Benefits	Not covered.
Sex Transformations	Not covered.
Sexual Dysfunction	Services for sexual function, sexual dysfunction, or inadequacies not related to organic disease are not covered.
Smoking Cessation Programs	Not covered.
Speech Therapy	Not covered when services are provided for maintenance speech, delayed language development, articulation disorders, learning disabilities, attention disorders,

	psychosocial speech delay, behavioral problems, conceptual handicap, mental retardation, stammering, or stuttering.
Telephone Consultations	Not covered.
Therapy Services	Primal therapy, rolfing, psychodrama, megavitamin therapy, bioenergetic therapy, aromatherapy, colonic irrigation, reflexology, vision perception training, and carbon dioxide therapy, and related therapies are not covered.
Third Party Liability	Services related to an injury which occurs due to the wrongful act or omission of another party for which that party or some other party makes settlement or is legally responsible is not covered. However, if the participant is unable to recover from the responsible party, benefits of this Plan will be provided.
Travel	Not covered, except as provided under transplant benefits.
Visual or opthoptic training	Not covered.
War	Services rendered for diseases contracted or injuries sustained as a result of war, declared or undeclared, or any act of war are not covered.
Workers' Compensation Employer Liability Law	Services related to any injury or illness arising out of or in the course of employment entitling the participant to benefits under any Workers' Compensation or Employer Liability Law are not covered.

## ***How The Prescription Drug Program Works***

This section does not apply to Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

The Plan includes a co-payment program for prescription drugs. This section summarizes the details of the program and how it works. An enrollee must elect health insurance coverage in order to participate in the prescription drug program. Refer to the sections on Base Coverage and Select Coverage for information on deductibles.

To be covered under the Plan, prescription drugs must be:

- Prescribed by a physician,
- Dispensed by a licensed pharmacist, and
- Found to be medically necessary for the treatment of the participant's illness or injury.

Participants may purchase medically necessary prescription drugs at participating retail pharmacies, through the mail order service, or through the Walgreens Specialty Pharmacy Program. Coverage for prescription drugs purchased at a retail pharmacy or through the mail order service is limited to a 90-day supply. Coverage for prescription drugs purchased through the Specialty Pharmacy Program is limited to a 30-day supply.

### ***Pharmacy Benefit Manager***

Catalyst Rx is the pharmacy benefit manager for the prescription drug program. Catalyst Rx is responsible for:

- Managing the prescription drug mail order program,
- Negotiating with pharmaceutical manufacturers,
- Developing and maintaining a network of participating pharmacies,
- Developing a list of preferred drugs,
- Processing prescription claims from participating pharmacies, and
- Processing prescription claims when a participant files a paper claim.

When a prescription drug is purchased at a participating retail pharmacy, the participant is only required to pay the appropriate co-payment amount (after the applicable deductible is met) or the cost of the drug, whichever is less. There is no claim form to file. When a prescription drug is purchased at a non-participating pharmacy, the participant must file a claim with Catalyst Rx. Payment of the claim will be made based upon the Plan's allowable charge. The participant is responsible for any amount in excess of the allowable charge, plus the applicable deductible and co-payment.

### ***Catalyst Rx Customer Service***

Catalyst Rx is available 24 hours a day, 7 days a week to provide assistance to Plan participants. If a participant should experience a problem having a prescription filled or have a question regarding coverage, he may contact Catalyst Rx at 1-866-757-7839.

### ***Co-Payments***

Prescription drug co-payments for retail pharmacies and the mail order service are as follows:

	<b><i>Retail Pharmacies</i></b>			<b><i>Mail Order</i></b>
<b>Prescription Drug Type</b>	<b>1-30 Day Supply</b>	<b>31-60 Day Supply</b>	<b>61-90 Day Supply</b>	<b>90 Day Supply (or less)</b>
<b>Generic Drug</b>	<b>\$12</b>	<b>\$24</b>	<b>\$36</b>	<b>\$24</b>
<b>Preferred Brand Drug</b>	<b>\$30</b>	<b>\$60</b>	<b>\$90</b>	<b>\$60</b>
<b>Other/Non-Preferred Drug</b> (no generic equivalent)	<b>\$50</b>	<b>\$100</b>	<b>\$150</b>	<b>\$100</b>

In most instances, when a generic drug is available and the participant purchases the brand name drug, the participant will pay the difference in the cost of the brand name drug and the generic drug, plus the generic co-payment amount. Based on the price of some generic drugs, co-payment other than the generic co-payment may apply.

NOTE: Participants in Base Coverage will be charged the full allowable charge for each 30 day supply until the annual deductible is met.

### ***Generic Drugs***

Typically, generic drugs cost less than equivalent brand-name drugs. Because the generic drug co-payment is less, participants save money when purchasing generic drugs. Participants are encouraged to use generic drugs whenever allowed by their physician. To be covered by the Plan, a generic drug must:

- Contain the same active ingredients as the brand-name drug (inactive ingredients may vary);
- Be identical in strength, form of dosage, and the way it is taken;
- Demonstrate bio-equivalence with the brand-name drug; and
- Have the same indications, dosage recommendations, and other label instructions (unless protected by patent or otherwise exclusive to the brand-name).

### ***Preferred Brand Drugs***

A list of preferred brand drugs is maintained by Catalyst Rx. Preferred drugs are chosen based on their clinical appropriateness and cost effectiveness. Catalyst Rx has the right to add drugs to the list at any time. Deletions will only occur on an annual basis. A copy of the list can be obtained by contacting Catalyst Rx directly or through the Plan's web site at <http://knowyourbenefits.dfa.state.ms.us>.

### ***Mail Order Service***

Plan participants can enjoy the convenience of home delivery by using Catalyst Rx's mail order service provided in partnership with Walgreens Healthcare Plus.

In order to participate in the mail order program, participants must register as a first time Walgreens mail service user. Registering with Walgreens Healthcare Plus will establish your health, allergy, and plan information. This can be done by completing the registration form and mailing in with new prescription and/or refill information.

### ***3 Steps to Enroll in the Mail Order Service***

- Call your physician and obtain a new 90-day prescription.
- Complete the Walgreens Healthcare Plus Registration & Prescription Order Form (available at <http://knowyourbenefits.dfa.state.ms.us>) and mail it in
- Order your refill 7-10 days before your supply runs out. This will allow ample time for shipping and delivery of your order.

#### ***Some Helpful Tips When Using The Mail Order Service***

- **Verify the deductible and/or co-payment amount by calling Catalyst Rx at 1-866-757-7839.**
- **Make sure the prescription is written for a 90-day supply.**
- **To ensure the order is not held up due to insufficient payment, be sure to provide a valid credit card number on the order form. Walgreens will contact the participant to authorize any co-payment amounts more than \$100 above the expected co-payment before billing the credit card.**
- **Please allow 7-10 days for your order.**
- **You may also obtain additional mail order registration forms and prescription order forms on the Plan's web site at [knowyourbenefits.dfa.state.ms.us](http://knowyourbenefits.dfa.state.ms.us)**

*A prescription submitted to the mail order service for less than a 90-day supply will be charged the same co-payment as for an entire 90-day supply. Catalyst Rx has the right to stop mail order service if an enrollee carries a delinquent balance on his account.*

A mail order co-payment will be applied to each unit for any covered drug or medical item that requires a specific co-payment per unit or vial, such as insulin and diabetic supplies.

### ***Prior Authorization***

Certain prescription drugs require prior approval. The prescribing physician must contact Catalyst Rx at 1-866-757-7839 for prior authorization. The physician must provide appropriate documentation of medical necessity. Only the physician can request prior authorization approval.

Examples of prescription drugs requiring prior authorization include, but are not limited to:

- medications for treating acne,
- certain medications for arthritis,
- anabolic steroids,

- medications for male impotency, and
- growth hormones for persons age 21 or older.

The quantity of some prescription drugs may be limited based on medical necessity. Some prescription drugs are indicated only for a specific therapeutic period or in certain amounts. If the quantity of a covered prescription drug, as prescribed by the physician, is not approved by Catalyst Rx, the physician must contact Catalyst Rx for prior approval of additional quantities. Approval will require appropriate documentation of medical necessity.

The fact that a physician has prescribed, ordered, recommended, or approved a prescription drug, does not, in itself, make the prescription drug medically necessary for purposes of coverage under the Plan.

### ***Step Therapy***

Some prescription drugs require step therapy. Step therapy is a process that optimizes rational drug therapy while controlling costs by defining how and when a particular drug or drug class should be used based on a patient's drug history. Step therapy requires the use of one or more prerequisite drugs that meet specific conditions prior to the use of another drug or drugs.

### ***Early Refills***

There are some circumstances when a participant will be allowed to obtain an early refill of a prescription drug for purposes such as going on vacation, for a dosage change during the course of a treatment, or for lost or destroyed medication. The participant's pharmacist may contact Catalyst Rx to obtain authorization for an early refill or advance supply of a medication. Early refills are limited to two refills per medication per year.

### ***Walgreens Specialty Pharmacy Program***

Catalyst Rx has partnered with Walgreens Specialty Pharmacy to provide a dedicated specialty pharmacy program for participants who are receiving specialty medications. Through the Catalyst Rx/Walgreens program, participants will enjoy increased convenience through the availability of specialty prescription pickup at more than 4,000 retail Walgreens stores, at the physician's office, or via home delivery mail service. The participant will pay a \$30 co-pay for each 30 day supply subject to the applicable deductible. For additional information, please contact 1-888-782-8443

Walgreens Specialty Pharmacy Program provides medications for many chronic conditions, including the following:

Multiple Sclerosis  
Gaucher's Disease  
Hepatitis C  
Respiratory Syncytial Virus  
Crohn's Disease  
Pulmonary Hypertension

Rheumatoid Arthritis  
Cystic Fibrosis  
Anemia  
Growth Hormone Deficiency  
Neutropenia

### ***Diabetic Sense***

To help meet the needs of members with diabetes, Catalyst Rx offers the **Diabetic Sense Program**. To enroll or learn more, please contact the Diabetic Sense National Diabetic Pharmacy at 1-877-852-3512.

### ***Covered Drugs***

The following types of drugs and medical items are covered by the Plan.

<b><i>Covered Drug</i></b>	<b><i>Limitations/Requirements</i></b>
▪ Legend Drugs and Legend Contraceptives	Federal law requires these drugs be dispensed by prescription only
▪ Compounded medication	At least one ingredient must be a Legend Drug
▪ Disposable blood/urine glucose/acetone testing agents	1 Generic co-payment per 30 day supply
▪ Disposable insulin needles/syringes	1 Generic co-payment per 30 day supply
▪ Glucagon	1 Preferred brand drug co-payment per each single unit
▪ Insulin	1 Generic co-payment per 30 day supply
▪ Lancets	1 Generic co-payment per 30 day supply
▪ Growth hormones	For individuals through the age of 20 years

### ***What Drugs Are Not Covered?***

The following drugs and medical items are not covered under the prescription drug program:

- Anabolic steroids for muscle enhancement
- Anorectics [any drug used for the purpose of weight loss]
- Anti-wrinkle agents
- Charges for administration or injection of any drug
- Dietary supplements
- Fluoride supplements
- Hematinics
- Impotency medications, unless related to organic disease
- Infertility medications
- Minerals
- Medications for the termination of pregnancy (abortifacients)
- Any medication not proven effective in general medical practice
- Investigative drugs and drugs used other than for the FDA approved diagnosis
- Immunizations for prevention of infectious diseases (e.g., measles, polio, flu, etc.) except through medical coverage under High Option for Children
- Drugs prescribed by a provider not acting within the scope of his license
- Drugs that do not require a written prescription
- Medications for the treatment of alopecia
- Non-legend drugs other than those listed as covered
- Pigmenting/de-pigmenting agents
- Drugs used for cosmetic purposes
- Smoking deterrent medications containing nicotine or any other smoking cessation aids, all dosage forms
- Therapeutic devices or appliances, including needles, syringes, support garments, and other non-medicinal substances, regardless of intended use, except those listed as covered above (some of these items may be covered under the Plan's medical benefits)
- Vitamins, singly or in combination (except legend prenatal vitamins)
- Prescription drugs that have an equivalent product available over the counter
- Refills in excess of the number specified by the physician or any refills dispensed more than one year after the date of physician's original prescription.

- Drugs furnished at no cost to the patient by the local, state, or federal government
- More than the recommended daily dosage
- Drugs paid for any Workers' Compensation coverage
- Drugs considered not medically necessary

### ***Coordination of Benefits***

When a participant has other health insurance coverage which is primary, a claim may be filed for secondary coverage under the Plan. To file a claim, a copy of the explanation of benefits from the primary insurance carrier along with a copy of the receipt from the pharmacy must be attached to a Direct Member Reimbursement (DMR) form. The form may be obtained from Catalyst Rx. The claim is processed by Catalyst Rx and reimbursement is made to the enrollee based upon the Plan's allowable charge, less the amount paid by the primary carrier, less the applicable co-payment for that prescription drug.



## ***Retiree Eligibility and Medical Coverage***

### ***Retiree Eligibility***

To be eligible for retiree health coverage under the Plan, an active employee must be enrolled in the Plan and:

- Participate in a retirement plan approved by the Mississippi Public Employees' Retirement System (PERS),
- Participate in the State and School Employees' Health Insurance Plan for 4 years or more (unless retiring due to work-related disability),  
***and***
- Have at least 25 or more years of creditable service, or
- Be at least age 60 with 4 or more years of creditable service, or
- Be age 45 with 20 or more years of service if retiring from the Mississippi Highway Safety Patrol, or
- Be approved for disability retirement benefits by PERS, or
- Be an elected state or district official who does not run for reelection or who is defeated.

***Note: Refer to the Group Term Life Insurance section for information on applying for life insurance coverage as a retiring employee or totally disabled employee.***

### ***Retiree Enrollment***

An employee must apply for retiree coverage at least 31 days prior to their retirement date to avoid a temporary lapse in coverage. The Application for Coverage form must be received within 31 days of losing coverage as an employee. If the form is received more than 31 days after coverage as an employee has terminated, the right to continue medical coverage as a retiree will be forfeited. The effective date of the retiree coverage will be the first day of the month following termination as an active employee.

#### ***Retiree Coverage Checklist***

***Be sure to complete the following checklist to enroll for retiree health and life benefits:***

- ✓ ***Complete a health insurance Application for Coverage form and a life insurance Enrollment/Change Request Form***
- ✓ ***Submit 1st month's premium made payable to the State/School Insurance Fund***
- ✓ ***Submit a copy of the final Estimate of Benefits provided by the Public Employees' Retirement System (PERS)***
- ✓ ***Submit copy of PERS disability approval letter (if applicable)***

***This information must be returned to the employee's Human Resources office 31 days prior to the retirement date.***

***Reminder: If you or your spouse is eligible for Medicare, contact your local Social Security Administration office to enroll in Parts A, B, and D of Medicare.***

In the event an employee does not enroll for retiree coverage within 31 days of leaving employment, he may still choose to continue coverage through COBRA any time during the balance of the COBRA election period. However, once the COBRA election period expires, the retiree has no option for coverage under the Plan. See specific details regarding COBRA continuation coverage under *Continuing Coverage Under the Plan*.

If an employee applies for disability retirement through PERS and is not eligible for service retirement, the employee must continue coverage under COBRA until disability retirement is approved in order to continue health insurance coverage under the Plan as a retiree. If disability retirement is approved by PERS, an enrollee must complete an Application for Coverage form within 31 days of approval.

### ***Surviving Spouse Eligibility***

If a covered retiree or a covered active employee who is eligible to retire dies, his covered surviving spouse and any covered dependent children may continue coverage under the Plan. The surviving spouse can be covered for his lifetime, and dependent children may be covered under the surviving spouse's coverage until they reach age 19, or 25 if they continue to meet the definition of a full-time student.

If the retiree or active employee has covered dependent children but not a covered spouse, the dependent children can continue coverage for up to 36 months under COBRA continuation coverage. See specific details regarding COBRA continuation coverage and the election period under *Continuing Coverage Under the Plan*.

### ***Surviving Spouse Enrollment***

To continue coverage under the Plan, the surviving spouse must apply within 31 days of the end of the month following the employee/retiree's date of death. An Application for Coverage form can be obtained by contacting Blue Cross & Blue Shield.

The surviving spouse must return the Application for Coverage form to the Department of Finance and Administration, Office of Insurance along with all premiums due for the coverage period beginning at the first of the month following the employee/retiree's death. Any Application for Coverage form received by the Department of Finance and Administration, Office of Insurance more than 31 days from the employee/retiree's date of death will be returned, and coverage will not be available.

### ***Cost of Retiree/Surviving Spouse Coverage***

The retiree/surviving spouse is responsible for paying 100% of the premium for the coverage selected for himself and any covered dependent(s). Premiums will be deducted from the retiree's retirement annuity check, the surviving spouse's survivor benefit check, or the retiree/surviving spouse will be direct billed by Blue Cross & Blue Shield if the check will not cover the cost of the premium. For direct bill, premium payments are due on the first of each month.

***Open Enrollment***

Retirees cannot add dependents during open enrollment. A non-Medicare eligible retiree/surviving spouse may choose either Base Coverage or Select Coverage during open enrollment. A retiree/surviving spouse may also apply for High Option for Children at this time, if covering dependents under the age of 18.

***Special Enrollment Periods resulting from loss of coverage***

A dependent of a covered retiree/surviving spouse who loses coverage under another health plan will be eligible to enroll for coverage in the Plan if the following apply:

- The retiree/surviving spouse declined coverage for his dependents when first eligible because the dependent was covered by other health insurance coverage; and
- The dependent lost other coverage as a result of any of the following qualifying events:
  - Divorce.
  - The dependent is no longer eligible for coverage. (Loss of coverage due to non-payment of premiums does not qualify.)
  - The employer ceased to contribute toward the cost of the other health plan, and it was terminated.
  - The dependent's COBRA continuation has run out.

To enroll for coverage under these circumstances, an Application for Coverage form must be submitted within 31 days of losing coverage under the other plan and appropriate premium payments must be made. As part of the application process, proof of loss of coverage must be provided. If these requirements are met, coverage under the Plan will take effect the first day following the loss of other coverage.

The enrollee may also apply for High Option for Children for eligible dependent children (up to age 18) during this special enrollment period.

***Special Enrollment Period as a result of gaining a new dependent***

A retiree/surviving spouse may enroll a new dependent if the new dependent was acquired as a result of any of the following qualifying events:

- Marriage,
- Birth,
- Adoption, or placement in anticipation of adoption,
- Legal guardianship,
- Legal custody, or
- Qualified Medical Child Support Order

To enroll the new dependent, an Application for Coverage form must be submitted to Blue Cross & Blue Shield within 31 days of the date of the qualifying event and the appropriate premiums must be paid. Any Application for Coverage form received by Blue Cross & Blue Shield more

than 31 days from the date of the qualifying event will be returned, and coverage will not be available.

As part of the application process, proof of the qualifying event may be required. If these requirements are met, coverage under the Plan will take effect on the date of the qualifying event. In the case of a Qualified Medical Child Support Order, the coverage will be effective the 1<sup>st</sup> day of the month following the date of the Order.

The enrollee may also apply for High Option for Children when adding dependent children up to age 18.

***Special Enrollment Period for a dependent returning to full-time student status***

An eligible dependent between the ages of 19 and 25 who is returning to school as a full-time student at an accredited high school, college, or university, may be enrolled for coverage under the Plan. The date of the qualifying event is the date the dependent returns to school.

An Application for Coverage form must be submitted within 31 days of the qualifying event, and the appropriate premium payments must be made. The effective date of the coverage will be the date of the qualifying event.

***Right to Request Documentation***

If required, documentation of dependent relationship, such as marriage license or birth certificate, must be provided. To enroll a child due to adoption, placement in anticipation of adoption, legal guardianship, or legal custody, a copy of the applicable court order must be submitted with the Application for Coverage form.

***Transferring Dependent Coverage***

A retiree may transfer dependent coverage from another contract under the Plan. For example: A retiree's spouse has coverage under the Plan as an active employee, the spouse terminates employment and is not eligible to retire. The retiree can add the spouse and any other dependents covered under the spouse's contract. The retiree must complete an Application for Coverage form within 31 days of the spouse leaving employment and pay the appropriate premiums. Any Application for Coverage form received by Blue Cross & Blue Shield more than 31 days from the date the spouse loses coverage due to termination of employment will be returned, and coverage will not be available.

***Reemployment***

A covered retiree who returns to work (other than full-time) with a covered employer unit while continuing to receive retirement benefits will remain covered as a retired employee. The retired employee will not be eligible for employer-paid coverage as an active employee under the Plan.

A retiree who returns to full-time employment with a covered employer unit and terminates retirement benefits is eligible for employer-paid coverage as an active employee.

### ***Changes in Enrollment Status***

Any change in enrollment status, such as death, divorce, etc., must be reported to Blue Cross & Blue Shield as soon as possible. The change must be made on an Application for Coverage form. This form may be obtained from Blue Cross & Blue Shield.

#### **SPECIAL NOTE ON MEDICARE**

**It is a retiree/surviving spouse's responsibility to contact Blue Cross & Blue Shield when the retiree or a covered dependent becomes entitled to Medicare (upon reaching age 65 or eligibility through Social Security disability).**

### ***Non-Medicare Eligible Retirees, Surviving Spouses, and Dependents***

The Plan is the primary payer for a retired employee, surviving spouse, or dependent of a retired employee or surviving spouse who is under age 65, is not on Social Security disability, and is not covered as an active employee under another plan. Non-Medicare eligible retirees and surviving spouses may choose Select Coverage or Base Coverage. Plan primary benefits are found in *Summaries of Benefits* and *Covered Services* sections of this *Plan Document*.

### ***Medicare Coordination***

Medicare is the primary payer for a retired employee, surviving spouse, or dependent of a retired employee or surviving spouse who is:

Age 65 or older.

Under age 65 with Social Security disability.

Under age 65 with end-stage renal disease after the first 30 months of Medicare eligibility.

Medicare coordination provisions are subject to change in accordance with changes in the federal Medicare program.

When Medicare is primary, the Plan will provide 100% toward the Medicare deductible and coinsurance amounts not covered by Medicare. The Plan only provides benefits for covered expenses outlined in this *Plan Document*.

Benefits are allowed based on the difference between the Medicare maximum allowable charge and the amount Medicare paid (or the difference between the Medicare allowed amount and the amount Medicare paid if assignment is accepted by the provider). This provision applies regardless of whether or not the provider participates in Medicare or contracts directly with the participant. Benefits are paid for a covered expense that is not covered by Medicare.

If a retired employee, dependent of a retired employee, surviving spouse, or dependent of a surviving spouse is eligible for Medicare and does not elect Medicare Part A or B, benefits will be reduced as though Medicare is the primary payer. The Plan will calculate benefits assuming the participant has both Medicare A and B. **It is important to enroll in Medicare Part A and B to receive maximum benefits.**

***Prescription Drug Program***

The Plan provides prescription drug coverage for Non-Medicare Eligible Retirees, Non-Medicare Eligible Surviving Spouses, and Non-Medicare Eligible Dependents of Retirees and Surviving Spouses. See *How the Prescription Drug Program Works* for a description of the prescription drug coverage.

THE PLAN DOES NOT PROVIDE PRESCRIPTION DRUG COVERAGE FOR MEDICARE ELIGIBLE RETIREES, MEDICARE ELIGIBLE SURVIVING SPOUSES, OR MEDICARE ELIGIBLE DEPENDENTS OF RETIREES AND SURVIVING SPOUSES.

***Limitations and Exclusions***

The limitations and exclusions are the same for all Plan participants, regardless of how Medicare pays.

***Canceling Coverage***

A retiree must send a written request to Blue Cross & Blue Shield to cancel coverage under the Plan. The coverage will end at the end of the month in which the written request is received. Coverage will also end if any required contributions are not paid, or if the Plan is terminated for some reason. Dependent coverage ends at the same time or at the end of the month in which the Plan is made aware that a dependent is no longer eligible. Requests for retroactive cancellation are not allowed.

Termination of coverage ends all rights of the enrollee to benefits under the Plan as of the effective date of coverage termination.

## Continuing Coverage Under the Plan

### ***Continuing Coverage Under the Plan (other than continuation of coverage as a retiree)***

In certain situations, coverage may be extended for an employee and covered eligible dependents at group rates. The following chart summarizes the circumstances in which coverage may be continued under the Plan.

<b><i>IF ...</i></b>	<b><i>COVERAGE MAY BE EXTENDED...</i></b>
An employee is no longer receiving pay from his employer and has been approved <b>for a leave of absence without pay</b>	For <b>up to 12 months</b> for both the employee and his covered dependents. <i>The employee can contact his Human Resources office for more details.</i>
An employee is placed on <b>involuntary furlough without pay</b>	Until the employee returns from furlough to full-time employment. <i>The employee can contact his Human Resources office for more details.</i>
An active employee is called to active military duty	For up to 24 months under COBRA.
An employee dies while <b>not yet eligible to retire, dependents may be eligible to extend coverage</b>	For up to <b>36 months</b> under COBRA for any covered dependents. <i>See below for exceptions.</i>
An employee dies while <b>eligible to retire and his spouse and children are covered as dependents</b>	For the <b>rest of the covered spouse's lifetime and until any covered dependent children reach age 19 or 25, if full-time students.</b> <i>See Surviving Spouse Eligibility and Enrollment in this section.</i>
An employee dies while eligible to retire <b>and his children are covered as dependents</b>	For up to <b>36 months</b> under COBRA for any covered dependent children.

### **Exceptions for a surviving spouse of an employee who dies while not yet eligible to retire.**

- **If a covered surviving spouse is on Medicare at the time of the employee's death, he will be eligible to continue coverage for up to 36 months under COBRA. Medicare will be the primary payor.**
- **If a covered surviving spouse acquires Medicare at any time after COBRA continuation has begun, coverage will terminate.**

### ***Active Military Duty***

If an employee is called to active military duty and elects not to continue coverage while on active duty, the employee may re-enroll for coverage upon return from active duty. The employee must apply for coverage within 31 days from the date he returns from active duty. The pre-existing condition exclusion period will be waived to the extent the employee and any covered dependents had previously satisfied the exclusion period before active duty began, if the employee applies for coverage within the 31-day period. If the employee returns within the same calendar year and applies for coverage within the 31-day period, the employee and any covered dependents will not be required to satisfy a new calendar year deductible.

### ***What Are COBRA Benefits?***

COBRA (short for Consolidated Omnibus Budget Reconciliation Act of 1986) is a federal law that allows for continuation of coverage under an employer's group health plan to covered persons (called "qualified beneficiaries") in the event of a qualifying event.

### ***Who is a Qualified Beneficiary?***

A qualified beneficiary is an individual who, on the day before the qualifying event, is covered under the Plan either as an employee, enrollee's dependent spouse, or enrollee's dependent child. A qualified beneficiary is also a child born to the employee, or who is placed for adoption with the employee during a period of COBRA continuation coverage.

### ***What is a Qualifying Event?***

A qualifying event is an occurrence which, but for the continuation coverage available under the Plan, would result in the loss of coverage for a qualified beneficiary.

Under COBRA, qualifying events include the loss of coverage that otherwise would result due to:

- Termination of employment, for reasons other than gross misconduct
- Reduction in hours of employment
- Death of the enrollee
- Divorce or legal separation
- Entitlement to Medicare
- Loss of dependent eligibility

If the qualifying event is divorce, legal separation, or ineligibility of a dependent child, the employee or qualified beneficiary must notify the employee's employer unit no later than 60 days after the qualifying event occurs; otherwise, continuation coverage may not be made available. Any other enrollee or his qualified beneficiary must notify Blue Cross & Blue Shield no later than 60 days after the qualifying event occurs; otherwise, continuation coverage may not be made available.



**An active employee** covered by the Plan is eligible for COBRA as follows:

<i><b>If an employee loses coverage under the Plan due to....</b></i>	<i><b>Continuation of coverage under COBRA may extend for...</b></i>
<ul style="list-style-type: none"> <li>• A reduction in hours of employment</li> <li>• Termination of employment (for reasons other than gross misconduct)</li> </ul>	Up to 18 months.
<ul style="list-style-type: none"> <li>• Being called to active military duty</li> </ul>	Up to 24 months

**A spouse** is eligible for COBRA as follows:

<i><b>If a spouse loses coverage under the Plan due to...</b></i>	<i><b>Continuation of coverage under COBRA may extend for...</b></i>
<ul style="list-style-type: none"> <li>• The death of the enrollee</li> </ul>	Up to 36 months (unless enrollee was retired or eligible to retire)
<ul style="list-style-type: none"> <li>• Termination of employee's employment (for reasons other than gross misconduct)</li> <li>• Reduction in employee's hours</li> </ul>	Up to 18 months
<ul style="list-style-type: none"> <li>• Employee being called to active military duty</li> </ul>	Up to 24 months
<ul style="list-style-type: none"> <li>• Divorce or legal separation</li> <li>• COBRA participant becomes entitled to Medicare</li> </ul>	Up to 36 months

**Dependent children** are eligible for COBRA as follows:

<i><b>If a dependent child loses coverage under the Plan because of...</b></i>	<i><b>Continuation of coverage under COBRA may extend for...</b></i>
<ul style="list-style-type: none"> <li>• The death of the enrollee</li> </ul>	Up to 36 months, unless eligible for coverage as a dependent of a surviving spouse.
<ul style="list-style-type: none"> <li>• Termination of employee's employment (for reasons other than gross misconduct)</li> <li>• Reduction in employee's hours</li> </ul>	Up to 18 months
<ul style="list-style-type: none"> <li>• A parent being called to active military duty</li> </ul>	Up to 24 months

<b><i>If a dependent child loses coverage under the Plan because of...</i></b>	<b><i>Continuation of coverage under COBRA may extend for...</i></b>
<ul style="list-style-type: none"> <li>• A parent's divorce or legal separation</li> <li>• COBRA participant becomes entitled to Medicare</li> <li>• No longer being an eligible dependent under the Plan</li> </ul>	Up to 36 months

If another qualifying event occurs during an 18 month continuation coverage period, then the period of continuation coverage can be extended, but not to exceed 36 months from the date of employment termination or reduction of hours of the employee.

### ***Disability Extension***

An 11-month extension, in addition to the initial 18 months, may be granted to qualified beneficiaries who were disabled (as defined and determined under the Social Security Act) at the time of the qualifying event or at any time during the first 60 days of COBRA continuation coverage. A copy of the disability determination notice from the Social Security Administration must be received by Blue Cross & Blue Shield within 60 days of the qualified beneficiary receiving the notice and before the end of the initial 18 month period of continuation coverage to be eligible for this extension.

### ***Cost for COBRA Continuation Coverage***

The qualified beneficiary pays the entire cost for COBRA continuation coverage. The rate charged is 102% of the regular Plan rates. If there is an 11-month extension, the rate charged will be 150% of the regular Plan rates during the extended 11 months.

Blue Cross & Blue Shield can require payment of a premium for any period of continuation coverage, but premiums may be paid in monthly installments at the election of the qualified beneficiary. Payment of premiums must be made within 30 days of the due date.

### **COBRA Continuation Coverage Checklist:**

- ✓ **A COBRA election form must be completed and returned to Blue Cross & Blue Shield within 60 days of the date coverage ended or the date of the notice, whichever is later.**
- ✓ **The first premium payment must be made within 45 days from the date of election to continue coverage.**
- ✓ **The first payment must include all premiums due for the coverage period beginning with the COBRA coverage effective date through the current month.**

Qualified beneficiaries will have continuous coverage through the COBRA election period as long as the applicable premiums are paid. If the required premium payment is not received within the 45 day period, coverage will terminate retroactively to the date of the qualifying event.

Benefits through COBRA continuation coverage are identical to the benefits offered to current active employees. COBRA participants are subject to the same benefit and rate changes as active employees under the Plan.

A qualified beneficiary who has elected continuation coverage can choose to cover a newborn child, adopted child, or a new spouse who joins the family of the qualified beneficiary on or after the date of the qualifying event, subject to Plan enrollment period provisions as to when an eligible dependent may be enrolled. Coverage of such new family members ceases at the same time as the continuation coverage of the qualified beneficiary. New family members, except for children born to the covered employee or placed for adoption with the covered employee, do not become qualified beneficiaries.

## ***Claims Administration***

### ***Verifying Coverage of a Service***

To have a procedure or service reviewed for medical necessity prior to the service being performed, the participant's provider may write a pre-determination letter describing the condition and treatment. The provider's letter must include the enrollee's name and identification number, the patient's name, and pertinent medical information. The letter should be sent to Blue Cross & Blue Shield.

For all inpatient hospital services and the specified diagnostic tests listed in the *Medical Management and Utilization Review* section, the letter must be sent to Intracorp.

### ***How to File a Medical Claim***

A claim must be filed before benefits can be determined. The claim must contain all of the information needed by Blue Cross & Blue Shield to process the claim. Network providers have agreed to file claims for participants.

For care received from a non-participating provider, a participant must receive the proper itemized bills from the provider and file a claim. A participant can get a medical claim form from his Human Resources office or from Blue Cross & Blue Shield. The form must be completed in its entirety to avoid delays in processing. Completed medical claim forms must be mailed to Blue Cross & Blue Shield.

- ***If another coverage is primary***, the claim must be filed with that plan first. Once an explanation of benefits (EOB) from the other plan has been received, the claim must be filed with Blue Cross & Blue Shield. The claim must be filed with a copy of the other plan's EOB. If the other plan's EOB is not attached, the claim will be denied until the information is received.
- ***If Medicare is primary***, the claim must be filed with Medicare first. Once an explanation of Medicare benefits has been received, the claim must be filed with Blue Cross & Blue Shield. The claim must be filed with a copy of the explanation of Medicare benefits. If the explanation of Medicare benefits is not attached, the claim will be denied until the information is received.

### ***How to File a Prescription Drug Claim***

If a participant uses a pharmacy that participates in the prescription drug program, there is no claim to file. The participant will pay the applicable deductible and co-payment. The prescription drug deductible and co-payment are the participant's responsibility and will not be reimbursed under the prescription drug program or the medical program.

- ***If a participant uses a pharmacy that does not participate in the prescription drug program,*** a paper claim must be filed. A participant can get a prescription drug claim form by contacting Catalyst Rx. The claim form must be completed in its entirety to avoid delays in processing. Pharmacy receipts must be attached to the claim form. The completed form must be mailed to Catalyst Rx. The participant will be reimbursed the difference between the Plan's allowable charge and the co-payment amount, once the applicable deductible has been met. Any charge for a prescription drug that exceeds the Plan's allowable charge will be the participant's responsibility and will not be applied toward meeting the deductible or co-payment.
- ***If another group plan is primary,*** the claim must be filed with that plan first. When an explanation of benefits (EOB) from the other plan has been received, the claim must be filed with Catalyst Rx. The claim must be filed with a copy of the other plan's EOB and the pharmacy receipts. If the other plan's EOB is not received, the claim will be denied until the information is received.

### ***Time Limit for Claims Filing***

A claim should be filed as soon as possible after receiving care. However, the deadline for filing claims varies with the type of claim.

- **Deadline for Filing Medical Claims:** All claims must be filed with Blue Cross & Blue Shield by the end of the calendar year following the year in which the services were provided.
- **Deadline for Filing Prescription Drug Claims:** All claims to Catalyst Rx must be filed within 18 months of the date the prescription was filled.

***A Special Note about Medical Claims:*** Blue Cross & Blue Shield does not consider a claim to be received for processing until the claim is actually received in the proper form, with all of the necessary information provided. If Blue Cross & Blue Shield needs additional information before the claim can be processed, that information must be promptly submitted but no later than the end of the calendar year following the year in which the services were provided. It is the participant's responsibility to ensure that claims are filed within the time limits. Claims filed after the time limits have expired are not eligible for benefits and will be denied.

### ***Tips for Filing Claims***

- ✓ **Keep all receipts from non-participating pharmacies and physicians.**
- ✓ **File claims promptly.**
- ✓ **Use the correct form. (There are separate claim forms for medical and prescription drug benefits.)**
- ✓ **Complete the entire form.**
- ✓ **Keep a copy of all claims filed.**
- ✓ **Mail the claim to the correct address.**

### ***Direction of Pay***

All benefits payable by the Plan are assignable only to participating providers. The Plan has the right to make payment to covered providers for covered services that they provide while there is in effect an agreement between the Plan's network and the provider allowing for direct payment. In the absence of such an agreement the Plan may pay to the enrollee and only the enrollee any benefits allowed herein. In addition, the Plan reserves the right not to recognize an enrollee's attempted assignment to, or direction to pay, another. If a covered provider has not been offered an agreement to participate in the Plan's network, the Plan will recognize an enrollee's direction to pay the provider. To the extent permitted by law, neither the benefits or payments under the Plan will be subject to the claim of creditors or any legal process.

### ***Patient Audit Program***

Participants are encouraged to be a patient-auditor. Participants should check medical bills to be sure they are correct. The Patient Audit Program provides a financial incentive for participants to help lower the Plan's cost as well as their own coinsurance costs for health care. This financial incentive is 50% of the amount recovered by the Plan due to a billing error, up to a maximum of \$1,000 per calendar year per participant.

A patient audit incentive payment will be issued when **all** of the following occur:

1. Incorrect claim for covered medical expense is filed and benefits are paid,
2. The participant verifies with the provider that there is an error in the bill,
3. A corrected claim is filed, benefits are adjusted, and the overpayment is recovered by the Plan, and
4. Written request for a patient audit incentive payment is sent to the Department of Finance and Administration, Office of Insurance.

Information required when requesting a patient audit incentive payment includes copies of the original and revised billings from the provider, both the incorrect and adjusted explanation of benefits from Blue Cross & Blue Shield, and copies of any other available documentation relative to the overpayment and/or adjustment of the claim. Failure to provide the required documentation and related information will result in the request to receive an incentive payment from the Patient Audit Program being denied.

If the Department of Finance and Administration, Office of Insurance determines that an overcharge was made, 50% of the amount refunded to the Plan, up to a maximum of \$1,000 per calendar year, will be paid to the enrollee. If it is determined that no error was made or that the request does not qualify under the Patient Audit Program, an explanation will be sent. Payment errors made as a result of Blue Cross & Blue Shield's actions are not eligible for patient audit incentive payments.

In the event a patient audit incentive payment request is made on behalf of a deceased Plan participant, legal proof of the identity and address of the administrator of the Plan participant's estate and information as to the status of the estate will be required.

### ***Medical Appeals***

If a participant believes that Blue Cross & Blue Shield incorrectly denied all or part of a claim, he has the right to obtain a full and fair review. A request for a review must be made in writing to Blue Cross & Blue Shield.

The participant has 60 days to request a review after receiving notice of denial from Blue Cross & Blue Shield. If the participant fails to request a review within this timeframe, the right to review is forfeited.

After the claim has been reviewed, if benefits are again denied, the decision will be sent to the participant in writing. The letter will include the reason(s) why benefits are denied, with reference to the Plan provisions on which the decision is based.

If, after following the appeal procedure described above, the participant still disagrees with the determination, a final appeal may be submitted in writing to the Department of Finance and Administration, Office of Insurance within 30 days of the second denial. The request to the Office of Insurance must include a copy of Blue Cross & Blue Shield's review decision and all information pertinent to the claim. The decision of the Department of Finance and Administration, Office of Insurance is final and not subject to further consideration.

Failure to request a review within the above referenced time frames and in accordance with the procedures will result in the participant's right to an appeal and rights to sue being forfeited.

### ***Prescription Drug Appeals***

If a participant believes that Catalyst Rx incorrectly denied all or part of a prescription drug claim, he has the right to obtain a full and fair review. A request for review must be made in writing to Catalyst Rx.

The participant has 60 days from receiving notice of denial from Catalyst Rx to request a review. If the participant fails to request a review within this timeframe, the right to review is forfeited.

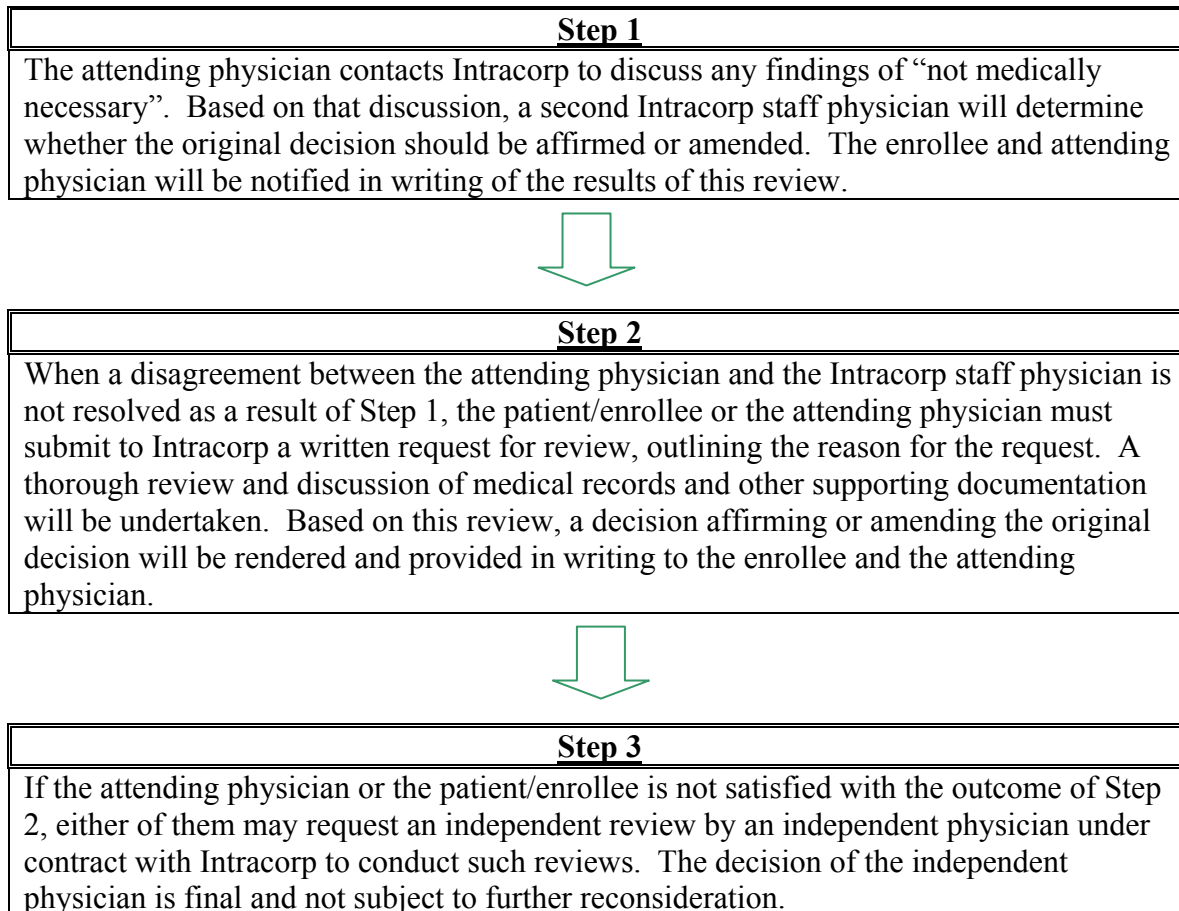
After the claim has been reviewed, if benefits are again denied, the decision will be sent to the participant in writing. The letter will include the reason(s) why benefits are denied, with reference to the Plan provisions of which the decision is based.

If, after following the appeal procedure described above, the participant still disagrees with the determination, a final appeal may be submitted in writing to the Department of Finance and Administration, Office of Insurance within 30 days of the second denial. The request to the Office of Insurance must include a copy of the Catalyst Rx review decision and all information pertinent to the claim. The decision of the Department of Finance and Administration, Office of Insurance is final and not subject to further consideration.

Failure to request a review within the above referenced time frame and in accordance with the procedures will result in the participant's right to an appeal and rights to sue being forfeited.

### ***Utilization Review Appeals***

If a participant or provider believes that Intracorp incorrectly denied all or part of a medical service, he may initiate the appeals process. The chart below outlines the process.



Failure to request a review in accordance with the procedures above will result in the participant's right to an appeal and rights to sue being forfeited.

Out-of-network reviews are not subject to the utilization review appeals process. A denial of an out-of-network approval may be appealed directly to the Department of Finance and Administration, Office of Insurance.

### ***Other Complaints***

If a participant has a complaint regarding service provided by Blue Cross & Blue Shield, Catalyst Rx, the AHS State Network, or Intracorp, he may write to the Office of Insurance. The letter should contain specific information about the complaint.



## *Coordination of Benefits*

If a participant is covered by another employer's benefit plan or another group type health benefit plan, there may be some duplication of benefit coverage between this Plan and the other plan. This section describes how Coordination of Benefits (COB) works under the Plan.

To determine how the plans coordinate benefits, one plan is considered "primary" and the other is considered "secondary". The primary plan pays benefits first, up to that plan's limits. The secondary plan will not pay benefits until the primary plan pays or denies a claim. In no instance will the primary and secondary plans pay, in total, more than the actual cost of the healthcare services.

If the other plan does not include a coordination of benefits or non-duplication provision, that plan will be primary.

The following are the provisions for determining which plan will be "primary":

<b>Description</b>	<b>Primary</b>	<b>Secondary</b>
Active Employee Note: If employee is covered as an "employee" under two plans, the plan covering the employee for the longest period of time is considered the primary plan.	State & School Employees' Health Insurance Plan	Other Health Plan
Dependent spouse with other coverage as "active employee"	Other Health Plan	State & School Employees' Health Insurance Plan
Active Employee & Spouse with children: both parents' health plans cover children	Follow birthday rule*	Follow birthday rule*
Active Employee, divorced or separated, both parents' health plans cover children with court order	Follow court decree	Follow court decree

\*Under the birthday rule, the plan of the parent whose birthday falls earliest in the calendar year is the child's primary plan. If both parents have the same birthday, the parent who has been covered longer has the primary plan. If the other plan does not have the birthday rule, then the rule in the other plan will determine which is primary.

- If parents are divorced or separated and both parents' plans cover a dependent child, benefits for the child are determined in this order:
  - First, the plan of the parent with custody;
  - Then, the plan of the stepparent (spouse of the parent with custody of the child); and
  - Finally, the plan of the parent not having custody of the child.

- **Active/Inactive Employee:** The benefits of a plan which covers a person as an employee who is neither laid off nor retired are determined before those of a plan which covers that person as a laid off or retired employee. The same would hold true if a person is a dependent of a person covered as a retiree and an employee. If the other plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, the rule in the other plan will determine which plan is primary.

***Where the determination cannot be made in accordance with other provisions in this section, the plan that has covered the Plan participant for the longer period of time will be primary.***

The term “plan” as used in this section means any of the following that provide benefits for services, for or by reason of, medical or dental care or treatment:

- Any health plan which provides services, supplies, or equipment for hospital, surgical, medical, or dental care or treatment, or prescription drug coverage, including, but not limited to, coverage under group or individual insurance policies, non-profit health service plans, health maintenance organizations, self-insured group plans, pre-payment plans, and Medicare as permitted by federal law. This does not include hospital daily indemnity plans, specified diseases-only policies, or limited occurrence policies that provide only for intensive care or coronary care in the hospital.
- Coverage under a governmental plan or coverage required or provided by law. This does not include a state plan under SCHIP Title XXI or Medicaid Title XIX (grants to States for Medical Assistance Programs of the United States Social Security Act as amended). It also does not include any law or plan when, by law, its benefits are in excess to those of any private insurance program or other non-governmental program.
- Any individual automobile no-fault insurance plan.
- Any labor-management trusted plan, union welfare plan, employer organization plan, or employee benefit organization plan.

Each plan or other arrangement for coverage outlined immediately above is a separate plan. Also, if an arrangement has two parts and COB rules apply only to one of the two, each of the parts is a separate plan.

For the purpose of this provision, Blue Cross & Blue Shield may, without consent or notice to any person, release to or obtain from any insurance company or other organization or person any information that may be necessary regarding coverage, expenses, and benefits.

Persons claiming benefits under the Plan must furnish Blue Cross & Blue Shield such information as may be necessary for the purpose of administering this provision.

Where any medical payment sums are applicable under any coverage, including but not limited to, automobile and premises liability policies, the limits of any such coverage must be applied to related claims before any benefits will be provided under this Plan.

### ***Medicare Coordination – End-Stage Renal Disease***

The Plan is the primary payer for:

- An active employee or employee's dependent spouse or child with end-stage renal disease during the first thirty (30) months of Medicare eligibility solely by reason of end-stage renal disease (Medicare is primary after the first 30 months).
- A retiree, surviving spouse, or retiree's or surviving spouse's dependent spouse or child under age 65 with end-stage renal disease during the first 30 months of Medicare eligibility.

Medicare is the primary payer for:

- An active employee or employee's dependent spouse or child with end-stage renal disease after the first 30 months of Medicare eligibility solely by reason of end-stage renal disease
- A retired employee, surviving spouse, or dependent of a retired employee or surviving spouse who is under age 65 with end-stage renal disease after the first 30 months of Medicare eligibility.

If the participant does not elect Medicare Part A, B, or D, benefits will be reduced as though Medicare is the primary payor. The Plan will calculate benefits assuming the participant has Medicare A, B, and D.

## ***Refund of Overpayments and Subrogation***

### ***Refund to The Plan of Overpayment of Benefits***

If Plan benefits are paid in error to any Plan participant or provider of service, the Plan reserves the right to have the overpayment refunded.

If any participant or provider of service does not promptly refund an overpayment to the Plan upon request, the Plan reserves the right to reduce any future benefit payments until the full amount of the overpayment is recovered.

### ***Subrogation - Third Party Liability***

As a condition to receiving medical benefits under the Plan, participants agree to transfer to the Plan their rights to recover damages in full for such benefits when the injury or illness occurs through the act or omission of another person. The Plan participant agrees to execute or cause to be executed any and all documents required by the Plan, including a Subrogation Reimbursement Agreement, and to execute or cause to be executed any documents on behalf of minor dependents covered by the Plan. In the event the dependent is a minor, Chancery Court approval of such Subrogation Reimbursement Agreement must be obtained prior to the payment of any benefits.

Alternatively, if a Plan participant receives any recovery, by way of judgment, settlement, or otherwise, from another person or business entity, the Plan participant agrees to reimburse the Plan in full, in first priority, for any medical expenses paid by it (i.e., the Plan shall be first reimbursed fully to the extent of any and all benefits paid by it from any monies received, with the balance, if any, retained by the Plan participant).

The obligation to reimburse the Plan, in full, in first priority, exists regardless of whether the settlement or judgment specifically designates the recovery, or a portion thereof, as including medical expenses.

The Plan's right of full recovery, either by way of subrogation or right of reimbursement, may be from funds the Plan participant or legal representative of the Plan participant receives or is entitled to receive from any third party or the insured's own uninsured/underinsured or medical payment motorist insurance.

The Plan may enforce reimbursement or subrogation rights by requiring the Plan participant or legal representative of the Plan participant to assert a claim to any of the foregoing coverage to which he may be entitled.

The Plan will not contribute to any attorney fees or costs associated with the Plan participant's recovery efforts.

In the event any hospital, medical, and related service or benefit is provided for, or any payment is made or credit is extended to a Plan participant for injuries or illnesses resulting from an act or

omission of another party, the Plan will be subrogated and will succeed to the right of the Plan participant to recovery against any person, organization, or other carrier. The acceptance of such benefits hereunder will constitute such subrogation. The Plan participant must remit to the Department of Finance and Administration, for the Plan all sums recovered by suit, settlement, or otherwise, on account of such hospital, medical, and related service or benefit, and must take such action to furnish such information and assistance, and execute such assignments and other instruments as may be required to facilitate enforcement of rights hereunder, and must take no action prejudicing the rights and interest of the Department of Finance and Administration hereunder.

Failure by the Plan participant to execute such evidence of subrogation as may be required will make the Plan participant liable for all costs and expenses incurred under the Plan in his behalf because of such hospital, medical, and related services. Nothing contained in this provision will be deemed to change, modify, or vary the terms of the *Coordination of Benefits* section of this *Plan Document*.

#### ***Subrogation - Work Related***

Benefits for work-related injuries or illnesses may be extended by the Plan where (1) liability is being controverted by the employer in a proceeding before the particular worker's compensation agency with jurisdiction and Plan participant's related claims are unpaid; or, (2) claims payments were made prior to notification to the Plan of their work-related nature.

Where the Plan does extend benefits for a work-related injury or illness, the Plan will be entitled to reimbursement where the employer acknowledges or the respective workers' compensation agency determines that the injury or illness is work-related. The Plan will be entitled to reimbursement even if a settlement does not specifically include payments for health care expenses. Reimbursement may be sought from the Plan participant or directly from the employer or its workers' compensation liability carrier. The Plan participant agrees to provide the Plan with prior notice of and opportunity to participate in any settlement proceedings.

The Plan participant will take such action, furnish such information and assistance, and execute such papers as the Plan may require to facilitate enforcement of its rights and will take no action prejudicing the rights and interest of the Plan.

The Plan participant must immediately notify the Plan of any injury, illness, or condition for which a claim has been or will be pursued under any applicable workers' compensation laws.

## ***Health Plan Administration***

The State and School Employees Health Insurance Management Board (Board) is the Plan Sponsor of the State and School Employees' Health Insurance Plan (Plan). The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Department of Finance and Administration provides the day-to-day management of the Plan through the Office of Insurance.

The Board consists of the following members: the Executive Director of the Department of Finance and Administration, who serves as Chairman; the Chairman of the Workers' Compensation Commission; the Commissioner of Insurance; the Commissioner of Higher Education; the State Superintendent of Education; the State Personnel Director; two (2) appointees of the Governor whose terms are concurrent with that of the Governor, one (1) of whom has experience in providing actuarial advice to companies that provide health insurance to large groups and one (1) of whom has experience in the day-to-day management and administration of a large self-funded health insurance group; the Chairman of the Senate Insurance Committee or his designee; the Chairman of the House of Representatives Insurance Committee or his designee; the Chairman of the Senate Appropriations Committee or his designee; the Chairman of the House of Representatives Appropriations Committee or his designee. The legislators, or their designees, serve as ex officio, nonvoting members of the Board.

The Board selects, through a competitive bid process, all vendors who provide services under the Plan. These services include claims administration, pharmacy benefits management, provider network administration, utilization management, data management, and actuarial and consulting services.

### ***A Self-Insured Plan***

The State and School Employees' Health Insurance Plan is a self-insured plan. When an organization manages a self-insured plan, it means that the organization (or in this case, the State) bears the financial responsibility for its own employee benefit plan. This means that the State is responsible for paying claims and other expenses associated with providing Plan participants with health care coverage. The State, through the Board, determines the benefits and sets the premiums. All costs are paid from the money collected in premiums. There is no direct State appropriation of funds to the Plan.

**Notice of Election of Exemption From Certain Requirements of the  
Health Insurance Portability and Accountability Act (HIPAA)**

**Name of Plan:** State and School Employees' Life and Health Insurance Plan

**Plan Sponsor:** State and School Employees Health Insurance Management Board  
c/o Department of Finance and Administration  
P.O. Box 24208  
Jackson, MS 39225-4208

**Plan Year** January 1, 2006 through December 31, 2006

**Notice to Participants:**

Federal law imposes upon group health insurance plans the following requirements from which a self-funded non-federal governmental plan may elect to be exempted in whole or in part:

- (1) Limitations on pre-existing condition exclusion periods;
- (2) Special enrollment periods;
- (3) Prohibitions against discriminating against individual participants and beneficiaries based on health status;
- (4) Standards relating to benefits for mothers and newborns;
- (5) Parity in the application of certain limits to mental health benefits; and
- (6) Required coverage for reconstructive surgery following mastectomies.

The State and School Employees Health Insurance Management Board has elected to exempt the State and School Employees' Life and Health Insurance Plan, as a non-federal governmental plan, from these requirements in their entirety. The Board, however, has elected to generally comply with the intent of these requirements voluntarily. The necessary changes to Plan benefits have been implemented and are included in this *Plan Document*.

Federal law also requires the Plan to provide covered participants with a certificate of creditable coverage when they cease to be covered under the Plan. There is no exemption from this requirement. The certificate provides evidence that a participant was covered under this Plan, because establishing prior coverage may entitle a person to certain rights when joining another employer's health plan or if the participant wishes to purchase an individual health insurance policy.

## ***General Conditions***

### ***Covered Expense***

Covered expense is considered to have been incurred on the date the service is received or rendered.

Benefits for covered expenses will be provided only to the extent that the provider can render such service, and payment therefore to the provider by Blue Cross & Blue Shield or Catalyst Rx as herein provided will constitute a complete discharge of the obligation of the Plan hereunder.

The Plan does not insure against any condition, disease, ailment, or injury (including pregnancy and conditions arising from it), but only provides benefits for covered expenses incurred by a Plan participant during his effective dates of coverage under the Plan.

### ***Liability***

Neither the Plan Sponsor nor its contractors, their agents, or their employees will be liable for or on account of any fault, act, omission, negligence, misfeasance, malfeasance, or malpractice on the part of any hospital or other institution, any agent, or employee thereof, or on the part of any physician, health care professional, pharmacist, or other person participating in or having to do with the care or treatment of the Plan participant.

### ***Notices***

Any notice required to be given by a contractor of the Plan Sponsor to an enrollee hereunder will be deemed to be given and delivered when deposited in the United States mail, postage prepaid, addressed to the enrollee at his address as the same appears on the records of Blue Cross & Blue Shield.

### ***Proof of Loss***

Upon failure of the Plan participant to notify Blue Cross & Blue Shield or Catalyst Rx or furnish proof of loss, payment may be refused or a percentage of the regular payment may be paid at the option of the Plan; provided, however, failure to give notice of proof of loss within the time provided will not invalidate a claim if it can be shown that compliance with this provision was not reasonably possible and that notice of claim was given as soon as reasonably possible.

### ***Breach or Default***

Whenever any condition or requirement of the Plan has been breached by the Plan participant or he is in default as to any term or condition hereof, failure of the Plan Sponsor, Blue Cross & Blue Shield, Intracorp, or Catalyst Rx to avail of any right stemming from such breach or default, or indulgences granted, will not be construed as a waiver of the right of the Plan Sponsor, Blue Cross & Blue Shield, Intracorp, or Catalyst Rx on account of existing or subsequent such breach or default.



### ***Network Agreements***

The Network has entered into payment agreements with participating hospitals to provide services to Plan participants. Under these payment agreements, the Plan does not always pay an amount to the hospital which corresponds to the amount indicated on the Explanation of Benefits.

The Pharmacy Benefit Manager has developed a Clinical Drug Formulary (Formulary) and list of preferred drugs. The list of preferred drugs is a subset to the Formulary, which serves as a guideline for the most commonly prescribed medications. The use of the Formulary may generate savings from drug manufacturers. These savings are generated from prescription drug claims. Any savings as a result of the Formulary are utilized in the financing of the Plan.

### ***Terms***

The terms “pay”, “paid”, “payment”, and “payable”, as well as similar terms, are found throughout this *Plan Document*. When the aforementioned terms are used with respect to the provision of benefits, the terms are referencing the benefits provided under the Plan, rather than the actual amount paid by the Plan.

### ***Disclosure***

The State and School Employees’ Health Insurance Plan may disclose summary health information to the Plan Sponsor for the administrative functions of the Plan to include payment, treatment, and operations as defined by the Health Insurance Portability and Accountability Act of 1996 (45 C.F.R. Parts 160-64).

### ***Privacy of Protected Health Information***

The Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) gives participants certain rights and imposes certain obligations on the Plan with respect to health information. The following sections describe protections afforded a participant’s health information as it relates to coverage under the Plan. This information is referred to as “protected health information.”

The State and School Employees Health Insurance Management Board is the Plan Sponsor. The Plan will disclose protected health information to the Plan Sponsor only upon receipt of certification by the Plan Sponsor that the *Plan Document* has been amended to incorporate the following provisions. The Plan Sponsor agrees to abide by the following requirements:

- (a) The Plan Sponsor will use or disclose protected health information only to carry out Plan administration functions for the Plan not inconsistent with the requirements of the Health Insurance Portability and Accountability Act of 1996 (45 C.F.R. Parts 160-64), as permitted or required by the *Plan Document* or as required by law.
- (b) The Plan Sponsor will ensure that any agent, including any subcontractor, to whom it provides protected health information agrees to the same restrictions and conditions included in the *Plan Document* with respect to protected health information.

- (c) The Plan Sponsor will not use or disclose protected health information for employment-related actions or decisions or in connection with any other benefit or employee benefit plan of the Plan Sponsor.
- (d) The Plan Sponsor will report to the Plan any use or disclosure of protected health information that is inconsistent with the uses and disclosures allowed under the *Plan Document* of which it becomes aware.
- (e) The Plan Sponsor will make any protected health information solely available to it available in accordance with 45 Code of Federal Regulations § 164.524.
- (f) The Plan Sponsor will make protected health information solely available to it for amendment in accordance with 45 Code of Federal Regulations § 164.526.
- (g) The Plan Sponsor will track disclosures it may make of protected health information solely available to it so that it can make available the information required for the Plan or its business associates to provide an accounting of disclosures in accordance with 45 Code of Federal Regulations § 164.528.
- (h) The Plan Sponsor will make available its internal practices, books, and records, relating to its use and disclosure of protected health information, if any, to the U.S. Department of Health and Human Services to determine compliance with 45 Code of Federal Regulations Parts 160-64.
- (i) The Plan Sponsor will, if feasible, return or destroy all protected health information in any form received from the Plan, when protected health information is no longer needed for the Plan administration purposes for which the disclosure was made. If it is not feasible to return or destroy all such protected health information, the Plan Sponsor will limit the use or disclosure of any protected health information it cannot feasibly return or destroy to those purposes that make the return or destruction of the information infeasible.

The following employees or classes of employees or other workforce members under the control of the Plan Sponsor may be given access to protected health information received from the Plan or a health insurance issuer or business associate servicing the Plan:

Employees of the Department of Finance and Administration, Office of Insurance.

- (a) This list includes every employee or class of employees or other workforce members under the control of the Plan Sponsor who may receive protected health information relating to payment under, health care operations of, or other matters pertaining to the Plan in the ordinary course of business.
- (b) The employees, classes of employees, or other workforce members identified above will have access to protected health information only to perform the Plan administration functions that the Plan Sponsor provides for the Plan.

- (c) The employees, classes of employees, or other workforce members identified above will be subject to disciplinary action and sanctions, including if appropriate, termination of employment or affiliation with Plan Sponsor, for any use or disclosure of protected health information in non-compliance with the provisions of the *Plan Document*. The Plan Sponsor will impose appropriate disciplinary action or sanctions on each employee or other workforce member causing the non-compliance and will work to mitigate any deleterious effect of the non-compliance on any participant or beneficiary.

***Security of Electronic Protected Health Information***

HIPAA also imposes certain obligations on the Plan Sponsor to secure protected health information when it is in an electronic format (called “ePHI”). In order for the Plan to disclose any ePHI to the Plan Sponsor, the Plan Sponsor must amend the Plan Document to incorporate certain provisions required under HIPAA. The Plan Sponsor hereby amends the Plan Document and agrees to be bound by the following requirements:

- (a) The Plan Sponsor implemented administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that it creates, receives, maintains, or transmits on behalf of the Plan in accordance with 45 C.F.R. Parts 160, 162, and 164.
- (b) The Plan Sponsor will make certain that the HIPAA privacy requirements, applicable to its employees and other workforce members under the control of the Plan Sponsor who are not allowed access to ePHI as part of their role in performing Plan administrative functions, are also supported by reasonable and appropriate security measures.
- (c) The Plan Sponsor will make certain that any third party administrators or other entities providing services to the Plan (called business associates) and their subcontractors agree to implement reasonable and appropriate security measures to safeguard the ePHI in their possession or control.
- (d) The Plan Sponsor will report any incident involving the security of ePHI to the Plan’s Security Official as soon as reasonably possible.

## ***Glossary***

**Accidental Injury:** a sudden and unforeseen event from an external agent or trauma, resulting in injuries to the physical structure of the body. It is definite as to time and place and it happened involuntarily or, if the result of a voluntary act, entails unforeseen consequences.

**Acute Care:** short-term diagnostic and therapeutic services provided in a hospital for a patient who is ill from a disease or injury of an acute nature. The period of acute care continues until the patient is stable enough to be transferred to a long-term care facility or bed for rehabilitation or maintenance care or until the patient can be discharged to home care.

**Allowable Charge:** the lesser of the submitted charge or the amount established by the Plan as the maximum amount allowed for covered expenses.

**Ambulatory Surgical Facility:** an institution licensed as such by the appropriate state agency or certified by Medicare as an Ambulatory Surgical Facility whose primary purpose is performing elective or non-emergency surgical procedures on an outpatient basis and is approved by the Claims Administrator.

**Brand Name Drug:** A drug with a trademark name protected by a patent issued to the original innovator or marketer. The patent prohibits the manufacture of the drug by other companies without consent of the innovator, as long as the patent remains in effect.

**Calendar Year:** a twelve (12) month period beginning each January 1.

**Certificate of Creditable Coverage:** certificate provided by a prior health insurance carrier showing dates of creditable coverage as defined by HIPAA.

**Certification:** a review by Intracorp to determine if an admission or healthcare service is medically necessary as well as meets the notification requirements of the Plan.

**Child:** any natural child, stepchild, child placed in anticipation of adoption, legally adopted child, child for whom the enrollee is legal guardian, child for whom the enrollee has legal custody, or child of the enrollee who is required to be covered by reason of a Qualified Medical Child Support Order.

**Claims Administrator:** the organization under contract with the Health Insurance Management Board to maintain eligibility and process medical claims for the Plan. The claims administrator for the Plan is Blue Cross & Blue Shield of Mississippi.

**COBRA (Consolidated Omnibus Budget Reconciliation Act of 1986):** Federal regulations that provide participants the option to pay for continued coverage under the Plan in the event that the participant no longer meets the Plan eligibility requirements.

**COBRA Participant:** a qualified beneficiary who elects to continue coverage under the Plan due to a qualifying event.

**Coinsurance:** the amount of an allowable charge (usually a percentage) that a participant pays for covered expenses after the appropriate deductible is met.

**Coinsurance Maximum:** the amount indicated in the Select Coverage *Summary of Benefits* in unreimbursed expenses for covered expenses a participant incurs in a calendar year, after which benefits are paid at 100% of the allowable charge for the remainder of the calendar year. Certain expenses cannot be used to meet the coinsurance maximum.

**Coinsurance/Co-payment Maximum:** the amount indicated in the Base Coverage Summary of Benefits in unreimbursed expenses for covered expenses a participant incurs in a calendar year, after which benefits are paid at 100% of the allowable charge for the remainder of the calendar year. Certain expenses cannot be used to meet the coinsurance/co-payment maximum.

**Convalescent Facility:** An institution (or distinct part thereof), which meets each of the following tests:

- It is primarily engaged in and licensed to provide, for compensation, “skilled nursing services or intermediate care services” and “physical restoration services” to convalescing patients on an inpatient basis.
- It provides these services on a twenty-four (24) hour daily basis and under the full-time supervision of a physician or a registered nurse, with licensed nursing personnel on duty at all times.
- It maintains a complete medical record on each patient and has a utilization review plan for all of its patients.
- It is not, other than incidentally, a place for rest, “custodial care,” educational care, the care of mental disorders, or a place for the aged. Mental disorders include, but are not limited to, drug addiction, alcoholism, chronic brain syndrome, and mental retardation.

*“Skilled nursing services and intermediate care services” means services rendered by a registered nurse or by a licensed practical nurse under the direction of a registered nurse; “physical restoration services means services which assist the patient to achieve a sufficient degree of body functioning to permit self-care in the essential activities of daily living; “custodial care” means care primarily to aid the patient with bathing, dressing, eating, and other activities of daily living; and, “chronic brain syndrome” means a condition of mental deterioration involving some irreversible brain damage due to a variety of causes ranging from alcohol abuse to senile dementia of unknown cause.*

**Coordination of Benefits (COB):** the process that determines the order of benefits payable when an enrollee and/or his eligible dependent(s) are covered under more than one insurance plan.

**Co-payment:** the amount of an allowable charge (usually a flat fee) that a participant pays for a covered expense after the appropriate deductible is met.

**Covered Expense:** the expense incurred for eligible services, supplies, and prescription drugs subject to the allowable charge, received on or after the effective date of the participant's coverage. The expense incurred, or portion of such expense, for medical care, services, supplies, or prescription drugs that are prescribed by a physician and are necessary in conjunction with the therapeutic treatment of the injury or sickness involved, are not excluded from payment of benefits by the provisions of a particular coverage or by the exclusions and limitations, and are not in excess of the allowable charges for the same or similar medical care, services, supplies, or prescription drugs.

**Covered Provider or Provider:** health care professionals or facilities (as defined in this *Plan Document*) providing services within the scope of their license under state law. No other practitioners are considered covered providers.

**Creditable Coverage:** prior health insurance coverage as defined by HIPAA used to reduce the length of a pre-existing condition exclusion period.

**Custodial Care:** services and supplies furnished primarily to assist an individual in the activities of daily living, including room and board, with or without routine nursing care, training in personal hygiene and other forms of self-care, or supervisory care by a physician for a participant who is mentally or physically disabled. Such services and supplies are custodial care without regard to whom they are prescribed, by whom they are recommended, or by whom or by which they are performed. This term also includes convalescent or domiciliary care.

**Deductibles (Base Coverage):**

**Individual Calendar Year Deductible:** a specific dollar amount that a participant must meet for covered expenses before the Plan will pay benefits in a calendar year.

**Family Calendar Year Deductible:** a cumulative dollar amount that, when met, satisfies the calendar year deductible for covered expenses for all family members.

**Deductibles (Select Coverage):**

**Calendar Year Deductible:** a specific dollar amount that a participant must meet for covered medical expenses before the Plan will pay benefits in a calendar year.

**Family Deductible:** a cumulative dollar amount that, when met, satisfies the calendar year deductible for covered medical expenses for all family members.

**Prescription Drug Deductible:** a specific dollar amount that a participant must meet for covered prescription drugs before the co-payment amount is applied in a calendar year.

**Disabled dependent:** a child who is:

- Unmarried,
- Permanently mentally or physically disabled or incapacitated,
- So incapacitated as to be incapable of self-sustaining employment,

- Dependent upon the enrollee for 50% or more support and,
- Otherwise eligible for coverage as a dependent except for age.

The disabling condition must have occurred prior to the dependent's 19<sup>th</sup> birthday (unless already covered by the Plan as a student, in which case the condition must have occurred prior to the dependent's 25<sup>th</sup> birthday).

**Durable Medical Equipment:** equipment prescribed by the attending physician and determined by Blue Cross & Blue Shield to be medically necessary for treatment of an illness or injury, or to prevent the participant's further deterioration. The equipment must be (1) made to withstand repeated use; (2) primarily used to serve a medical purpose rather than for comfort or convenience; (3) generally not useful to a person in the absence of illness, injury, or disease; and (4) appropriate for use in the participant's home.

**Emergency Care:** care as the result of the sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity that the absence of immediate medical care could reasonably result in:

- Permanently placing the participant's health in jeopardy,
- Serious impairment of bodily functions, or
- Serious and permanent dysfunction of any bodily organ or part, or other serious medical consequences.

Determination of emergency care is based on presenting symptoms rather than final diagnosis.

This means the treatment given in a hospital's or urgent care's emergency room to evaluate and treat medical conditions of a recent onset and severity, including, but not limited to, severe pain, which would lead a prudent layperson possessing an average knowledge of medicine and health, to believe that his or her condition, sickness, or injury is of such a nature that failure to get immediate medical care could result in:

- Placing the person's health in serious jeopardy; or
- Serious impairment to bodily function; or
- Serious dysfunction to a body part or organ; or
- In the case of a pregnant woman, serious jeopardy to the health of the mother or fetus.

**Employee:** an active full-time employee who has satisfied the specifications in the *Health Insurance Eligibility and Enrollment* section of this *Plan Document* and has enrolled for coverage under the Plan.

**Employer Unit:** any of the following whose employees are eligible to participate in the Plan:

- State Agency,
- Institution of Higher Learning,
- Public School District,
- Community/Junior College, or
- Public Library.

**Enrollee:** an Employee, a Retired Employee, a COBRA Participant, or a Surviving Spouse who is enrolled in the Plan.

**Explanation of Benefits (EOB):** an itemized statement from Blue Cross & Blue Shield or Catalyst that lists charges made and the benefits allowed or denied as the result of a claim.

**Facility:** a hospital or other entity licensed or certified by the appropriate state or federal agency and approved by the Plan and Blue Cross & Blue Shield as a specific type of institution to provide a specific level of care.

**Formulary:** A specific list of drugs, maintained by Catalyst Rx, that can assist practitioners and pharmacies in selecting clinically appropriate and cost-effective drugs. The formulary represents the clinical judgment of physicians, pharmacists and other experts in the diagnosis and/or treatment of disease and promotion of health.

**Generic Drug:** a drug that is therapeutically equivalent (identical in strength, concentration, and dosage form) to a brand-name drug and that generally is made available after the expiration of the brand name patent.

**Health Care Professional:** a physician or other medical practitioner who is licensed to perform specified health services consistent with state law. For this Plan, health care professionals also include:

- Physical therapists,
- Occupational therapists,
- Speech pathologists,
- Clinical psychologists (doctoral level),
- Professional counselors, and
- Clinical social workers.

**Health Savings Account (HSA):** portable, interest-bearing, funded accounts to provide for tax-free savings for medical expenses as provided by Section 1201 of the Medicare Prescription Drug Improvement and Modernization Act of 2003.

**High Option for Children:** a higher benefit level of coverage for children, available to any enrollee who has a covered dependent child(ren) up to age 18 at an additional cost per month to the enrollee.

**HIPAA:** the Health Insurance Portability and Accountability Act of 1996.

**Home Infusion Therapy:** services and supplies required for the administration of home infusion therapy regimen.

**Horizon Employee:** An employee initially hired on or after January 1, 2006 who has never been a full-time employee of a Mississippi State agency, public school district, community/junior college, public library, or university.

**Hospital:** an institution which, for compensation from its patients, is primarily engaged in providing diagnostic and therapeutic facilities for the surgical and medical diagnosis, treatment, and care of injured and sick persons by or under the supervision of a staff of physicians who are duly licensed to practice medicine in the state where the institution is located; which continuously



provides 24-hour a day nursing service by a Registered Nurse (RN); and which is duly licensed as a hospital in such state. The term hospital may also include an institution that primarily provides psychiatric or chemical dependency care, if licensed as such by the state in which the hospital is located. Benefits are not provided for treatment in a facility that is primarily a place for rest, rehabilitation, or the aged, including custodial and convalescent, except as otherwise provided by the Plan.

**Illness:** an accidental injury, a bodily or mental disorder, a pregnancy, or any birth defect of a newborn child. Conditions that exist and are treated at the same time or are due to the same or related causes are considered to be one illness.

**Intensified Outpatient Program:** as provided for the treatment of substance abuse, intensified outpatient program refers to a program provided as a continuation of inpatient substance abuse treatment prescribed by a physician, under the management of a substance abuse provider, which is licensed or certified by the appropriate state or federal agency and is approved by the Plan.

**Investigative or Experimental:** use of a procedure, facility, equipment, drug, device, or supply not recognized at the time of treatment as accepted medical practice within the United States for the condition being treated. A drug, device, medical treatment, or procedure will be determined to be experimental or investigational if:

- there are insufficient outcomes data available from controlled clinical trials published in the peer reviewed literature to substantiate its safety and effectiveness for the disease or injury involved; or
- it cannot be lawfully marketed without the approval of the Food and Drug Administration (FDA) or other governmental agency and such approval has not been granted at the time of its use or proposed use; or
- it is the subject of a current investigational new drug or new device application on file with the FDA; or
- a recognized national medical or dental society or regulatory agency has determined, in writing, that it is experimental, investigational, or for research purposes; or
- a written protocol or protocols used by the treating facility, or the protocol or protocols of any other facility studying substantially the same drug, device, procedure, or treatment, or the written informed consent used by the treating facility or by another facility studying the same drug, device, procedure, or treatment states that it is experimental, investigational, or for research purposes.
- It is being provided pursuant to:
  - A Phase I or Phase II clinical trial or as the experimental or research arm of a Phase III clinical trial; or
  - A written protocol which describes among its objectives, determinations of safety, toxicity, effectiveness, or effectiveness in comparison to conventional alternatives; or
  - Is being delivered, or should be delivered subject to the approval and supervision of an Institutional Review Board (IRE) as required and defined by federal regulations particularly those of the FDA or the Department of Health and Human Services (HHS), or

In the predominant opinion among experts:

- As expressed in the published, authoritative literature, is substantially confined to use in research setting; or
- Is subject to further research in order to define safety, toxicity, effectiveness, or effectiveness compared with conventional alternatives; or
- Is experimental, investigational, unproven, or is not a generally acceptable medical practice; or
- Is not a covered service under Medicare because it is considered investigational or experimental as determined by the Centers for Medicare and Medicaid (CMS) of HHS; or
- Is provided concomitantly to a treatment, procedure, device or drug which is experimental, investigational, or unproven treatment.

The Plan may, in its discretion, determine that a drug, device, medical treatment, or procedure which is deemed experimental or investigational under the above criteria, should nonetheless not be deemed experimental or investigational.

**Legacy Employee:** An employee who is an active employee as of January 1, 2006, or an employee hired on or after January 1, 2006, who has ever been a full-time employee with a Mississippi State agency, public school district, community/junior college, public library, or university.

**Legal Custody:** the permanent legal status created by a court order which gives the legal custodian the responsibilities of physical possession of the child and the duty to provide him with food, shelter, education, and reasonable medical care.

**Legal Custodian:** a court appointed custodian of a child.

**Legal Guardian:** a court appointed guardian of a child.

**Legal Guardianship:** the permanent legal status created by a court order which gives the guardian of a child the same responsibilities as though he was the child's natural parent. This includes the duty to feed, clothe, and house the child, and to make decisions concerning the child's education and health care.

**Lifetime Maximum:** the maximum benefit payable under the Plan for any covered participant during his lifetime while covered under this Plan.

**Maintenance Drug:** a prescription drug taken for an extended period of time for a chronic health condition.

**Manipulative Therapy:** all services preparatory to or complementary to an adjustment of the articulations of the vertebral column and its immediate articulations.

**Medical Management Administrator:** the organization under contract with the State and School Employees Health Insurance Management Board to provide inpatient and outpatient utilization review and case management services. The Medical Management Administrator for the Plan is Intracorp.

**Medical Supplies or Supplies:** supplies which are medically necessary disposable items, primarily serving a medical purpose, (and generally not useful to a person in the absence of illness, injury, or disease) having therapeutic or diagnostic characteristics essential in enabling a participant to effectively carry out a physician's prescribed treatment for illness, injury, or disease, and are appropriate for use in the participant's home.

**Medically Necessary:** A service or supply furnished by a particular provider is medically necessary if it is determined by the Plan that it is appropriate for the diagnosis, the care, or the treatment of the disease or injury involved. To be appropriate, the service or supply must:

- Be care or treatment, as likely to produce a significant positive outcome as, and no more likely to produce a negative outcome than, any alternative service or supply, both as to the disease or injury involved and the person's overall health condition;
- Be a diagnostic procedure, indicated by the health status of the person and be as likely to result in information that could affect the course of treatment as, and no more likely to produce a negative outcome than, any alternative service or supply, both as to the disease or injury involved and the person's overall health condition; and
- As to diagnosis, care and treatment be no more costly (taking into account all health expense incurred in connection with the service or supply) than any alternative service or supply to meet the above tests.

In determining if a service or supply is appropriate under the circumstances, the following will be taken into consideration:

- Information provided on the affected person's health status;
- Reports in peer reviewed medical literature;
- Reports and guidelines published by nationally recognized health care organizations that include supporting scientific data;
- Generally recognized professional standards of safety and effectiveness in the United States for diagnosis, care, or treatment;
- The opinion of health professionals in the generally recognized health specialty involved; and,
- Any other relevant information.

In no event will the following services or supplies be considered to be medically necessary:

- Those that do not require the technical skills of a medical, a mental health, or a dental professional; or
- Those furnished mainly for the personal comfort or convenience of the person, any person who cares for him or her, any person who is part of his or her family, any healthcare provider, or healthcare facility; or
- Those furnished solely because the person is an inpatient on any day on which the person's disease or injury could safely and adequately be diagnosed or treated while not confined; or
- Those furnished solely because of the setting if the service or supply could safely and adequately be furnished in a physician's office or other less costly setting.

Medically necessary services or supplies must be:

- Prescribed by a physician to be necessary and appropriate;
- Non-experimental or non-investigational;
- Not in conflict with accepted medical or surgical practices prevailing in the geographic area where, and at the time when, the service or supply is ordered;

- Not associated with an occupational injury or disease; and
- Reasonable.

Medical necessity does not include any service or supply that is for the psychological support, education, or vocational training of the participant. Medical necessity does not include implant of any artificial organ for any reason whatsoever.

**Network:** A group of providers under contract with the Network Administrator to participate in the Plan's AHS State Network.

**Network Administrator:** the organization under contract with the State and School Employees Health Insurance Management Board, which contracts with covered providers to provide negotiated discounts in a defined geographic area. The Network Administrator is responsible for the selection of and ongoing contracting with covered providers. The Network Administrator for the Plan is the Advanced Health Systems (AHS).

**Non-occupational Injury or Disease:** an injury or disease that does not:

- Arise out of (or in the course of) any work for pay or profit; or
- Result in any way from an injury or disease that does.

A disease will be deemed to be non-occupational regardless of cause if proof is furnished that the person:

- Is covered under any type of workers' compensation law, and
- Is not covered for that disease under such law.

**Non-participating Pharmacy:** a pharmacy that has not contracted with the Pharmacy Benefit Manager to be a participating provider of prescription drugs to Plan participants.

**Non-participating Provider:** a covered provider who has not contracted with the Network to deliver covered medical services or supplies to Plan participants.

**Orthotic Device:** an orthopedic appliance or apparatus used to support, align, prevent, or correct deformities or to improve the function of movable parts of the body.

**Out-of-Area Participant:** a Plan participant whose principal/primary residence is located outside the geographic boundaries of the State of Mississippi. Plan participants meeting the requirements of a full-time student dependent are not considered out-of-area participants.

**Out-of-Network Review:** the process by which Intracorp determines if the Plan will allow in-network level benefits for services provided by a non-participating provider.

**Partial Hospitalization:** inpatient psychiatric treatment, other than full twenty-four hour programs, in a treatment facility licensed or certified by the state in which services are rendered. The term includes day, night, and weekend treatment programs.

**Participant or Plan Participant:** an individual who is enrolled in the Plan and is eligible to receive health care services for which payment may be sought under the terms of this *Plan Document*.

**Participating Pharmacy:** a pharmacy that has a contractual relationship with the Pharmacy Benefit Manager to provide prescription drugs to Plan participants.

**Participating Provider:** a covered provider that has a contractual relationship with the Network to deliver covered services and supplies to participants.

**PERS:** the Public Employees' Retirement System of Mississippi.

**Pharmacy Benefit Manager:** the organization under contract with the State and School Employees Health Insurance Management Board to administer the prescription drug program. The pharmacy benefit manager for the Plan is Catalyst Rx.

**Physician:** A Doctor of Medicine (M.D.) or Doctor of Osteopathy (D.O.) who is legally qualified and licensed to practice medicine at the time and place service is rendered. A Doctor of Dental Surgery (D.D.S.), Doctor of Surgical Chiropody (D.S.C.), Doctor of Podiatry (D.P.M. of Pod. D.), Optometrist (O.D.), Chiropractor (D.C.), Certified Registered Nurse Anesthetist (CRNA), Physician Assistant (PA), or Nurse Practitioner (N.P.), when duly licensed and practicing within the scope of his license, is deemed to be a physician for purposes of this *Plan Document*.

**Plan:** the self-insured Plan administered by the State and School Employees Health Insurance Management Board consisting of the Mississippi State and School Employees' Life and Health Insurance Plan as defined in § 25-15-1 et seq. of the Mississippi Code.

**Plan Document:** the statement of terms and conditions of the Plan as adopted by the Plan Sponsor.

**Plan Sponsor:** the State and School Employees Health Insurance Management Board, acting administratively through the Department of Finance and Administration, Office of Insurance.

**Pre-existing Condition:** any condition for which medical advice, diagnosis, care, treatment, consultation, or a prescription drug was recommended or received within six (6) months prior to the Plan participant's effective date with the Plan. Medical condition or condition means any physical or mental condition resulting from illness, injury, or congenital malformation. However, genetic information is not a condition. Benefits are not provided under this Plan for any pre-existing condition until coverage in this Plan has been in effect for a period of 12 consecutive months (or 18 months for late entrants). The pre-existing condition exclusion does not apply to pregnancy. The pre-existing condition exclusion does not apply to newborn or newly adopted children enrolled within 31 days of birth or adoption. The exclusion period will be reduced by the amount of prior creditable coverage that the participant has when coverage becomes effective.

**Prescription Drug:** drugs that under Federal Law may be dispensed only by written prescription and that the Food and Drug Administration has approved for general use. Prescription drugs must be dispensed by a licensed pharmacist upon the prescription order from a licensed prescriber,

usually a physician, must be medically necessary, must not be experimental/investigative, and must not otherwise be excluded in order to be covered under the Plan.

**Proof of Loss:** written evidence of expenses incurred or payable for services or supplies covered under the terms of this Plan.

**Prosthetic Device:** an artificial device that replaces all or part of an absent body part, or replaces all or part of the function of a permanently inoperable or malfunctioning body part.

**Rehabilitative Care:** coordinated use of medical, social, educational, or vocational services, beyond the acute care stage of disease or injury, for the purpose of upgrading the physical and functional ability of a patient disabled by disease or injury so that the patient may independently carry out ordinary daily activities.

**Residential Facility:** a licensed facility providing an inpatient rehabilitation program for the treatment of alcohol or drug abuse or mental or nervous conditions.

**Retired Employee:** a covered employee who has left employment and qualifies for retirement benefits under a retirement plan approved by the Mississippi Public Employees' Retirement System (PERS).

**Surviving Spouse:** the covered spouse of a deceased employee who was eligible to retire or the covered spouse of a deceased retiree who was covered under the Plan at death.

**Utilization Review:** evaluation of the necessity, appropriateness, and efficiency of the use of medical services, procedures, and facilities.

**Valid Assignment:** an assignment of benefits to participating providers or to a covered provider that has not been offered an agreement to participate in the Plan's network.

## ***Group Term Life Insurance***

The Health Insurance Management Board is authorized by state law to provide certain specified group life insurance benefits for active employees and retirees. The Board currently contracts for a fully insured group term life insurance policy with Aetna Life Insurance Company to provide these benefits to eligible employees and retirees of State agencies, universities, public libraries, and certain community/junior colleges and public school districts. Those community/junior colleges and public school districts that are not covered in the Boards' policy with Aetna have elected to opt out of the State and School Employees' Life Insurance Plan (Plan) and instead purchase similar coverage through an alternative policy from a private carrier. The following information pertains primarily to coverage under the Aetna policy in the State and School Employees' Life Insurance Plan only. Questions relative to the aforementioned alternative policy should be directed to the respective community/junior college or public school district, or to the private carrier.

The State of Mississippi offers group term life insurance coverage for active full-time employees. Life insurance coverage can be continued when a covered employee retires or becomes totally disabled (as determined by the insurance company). The following is a summary of the pertinent information relative to the State and School Employees' Life Insurance Plan. Participants should refer to the *Your Group Plan* booklet for a comprehensive description of the benefits and policy provisions. Active employees should contact their employer for a *Your Group Plan* life insurance summary of coverage booklet, while participating retirees and totally disabled employees should contact the Department of Finance and Administration, Office of Insurance for a booklet.

### ***At a Glance...***

<b>Aetna Life Insurance Company</b>	Aetna Life Insurance Company is the insurer for the State and School Employees' Life Insurance Plan.
<b>Amount of Life Insurance</b>	<p>Active Employees: the amount of life insurance is equal to 2 times the annual salary, raised to the next higher thousand.</p> <p>Retirees may continue their term life insurance coverage at a reduced benefit level of \$5,000, \$10,000, or \$20,000. Participating employees who retired prior to 10/1/1999 are limited to benefit levels of \$2,000, \$4,000, or \$10,000.</p> <p>Totally disabled employees approved for continued coverage by Aetna can continue group term life insurance coverage with the same amount of term life insurance coverage they had as an active employee.</p> <p>Dependents are not eligible for this life insurance coverage.</p>

<b>Cost Sharing</b>	An active employee and the State of Mississippi share equally in the cost of the monthly premium for life insurance. A retiree is solely responsible for paying his monthly premium. A totally disabled employee pays an initial nine-month's premium, after which the premium is waived for the remainder of his coverage period.
<b>Accidental Death &amp; Dismemberment</b>	The policy also provides accidental death and loss of use coverage to active employees at no additional cost.
<b>Conversion</b>	A covered active employee may convert some or all of his life insurance coverage to an individual policy with Aetna Life Insurance Company after leaving State employment. This provision also includes coverage amounts lost or reduced due to retirement.
<b>Blue Cross &amp; Blue Shield</b>	Blue Cross & Blue Shield processes life insurance Enrollment/Change Request Forms, maintains coverage and beneficiary records, and performs premium billing.
<b>Filing a Claim</b>	Claims under active employee coverage should be filed initially with the employee's personnel office. Claims under retiree and/or totally disabled employee coverage should be filed directly with the Mississippi Department of Finance and Administration's Office of Insurance.

### ***Who Is Eligible?***

The following persons are eligible for group term life insurance coverage:

- **A full-time State employee who:**
  - receives compensation directly from a Department, Agency, or Institution of Higher Learning in the State,
  - works for the State's Judicial Branch,
  - works as a full-time salaried Judge,
  - works as a full-time salaried District Attorney, or is a member of his staff,
  - works as a full-time compulsory school attendance officer, or
  - works for a University based program for deaf, aphasic, and emotionally disturbed children, or is
  - a member of the State legislature.
- **A full-time public school district employee.**
- **A regular non-student school bus driver.**
- **A full-time community/junior college employee.**
- **A full-time employee of a public library.**
- **A retired employee (must have had coverage in the Plan as an active employee and must make timely application and pay appropriate premiums to continue coverage).**



### ***Enrolling in Life Insurance***

An eligible employee must either enroll in life insurance coverage or waive coverage when he begins covered employment. If the employee enrolls in the life insurance coverage, the effective date of coverage is his date of employment; however, a life insurance **Enrollment/Change Request Form must be completed, signed, and sent to the employer within the first 31 days of employment.** The employer is responsible for forwarding the completed form to Blue Cross & Blue Shield for final processing.

### ***Late Enrollees***

If an employee applies for life insurance after the first 31 days of employment or initially waives coverage when first eligible and subsequently elects to participate, he will be considered a “late enrollee” applicant. As a late enrollee, he will be required to complete an Evidence of Insurability Statement in addition to the life insurance Enrollment/Change Request Form. Forms are available from the employees’ personnel office, or can be downloaded from the *Know Your Benefits* website. The employee must return the Enrollment/Change Request Form to his employer. The employee may submit the completed Evidence of Insurability Statement confidentially directly to Aetna or return the form to his employer for submission. Aetna will be responsible for evaluating the late enrollment request, along with any follow-up documentation they may request from the applicant, to determine if coverage will be approved. Upon completion of their review and determination process, Aetna will notify the employee and the employer of their decision. Aetna is the sole authority for evaluating late enrollment applications.

If a late enrollee application is approved, the effective date of coverage will be the first of the month following or coincident with the date of Aetna’s approval.

### ***How Much Is An Employee Insured For?***

An employee’s life insurance amount is calculated by doubling his annual salary and rounding the result up to the next higher thousand.

The minimum amount of life insurance under the Plan for employees is \$30,000, and the maximum amount is \$100,000, regardless of annual salary.

If an employee’s salary changes (increases or decreases), the amount of life insurance coverage may also change. Any change in the amount of the employee’s life insurance will be effective on the first day of the month following or coincident with the change in salary.

### ***Cost of Coverage for Employees***

The employee shares with his employer in the cost of his life insurance premiums. The employee pays half of the monthly premium cost through payroll deduction, and his employer pays the other half.

### ***Accidental Death and Dismemberment Benefits***

The group term life insurance coverage provides an accidental death and dismemberment and loss of use (AD&D) benefit to covered employees at no additional cost. The amount of the AD&D benefit is based on the employee's term life insurance amount, and varies depending upon the specific loss. Refer to the *Your Group Plan* booklet for a complete schedule of AD&D benefits.

AD&D benefits may be paid for losses due to an accidental bodily injury while insured. In other words, AD&D benefits are generally available when death or a covered bodily injury is the direct result of an accident and independent of all other causes.

AD&D coverage is provided to an employee so long as he maintains his term life insurance coverage. A participating totally disabled employee has AD&D coverage only for the first 12 months of his term life insurance coverage period. Retirees are not eligible for AD&D coverage whatsoever.

### ***Retiring Employees***

A retiring employee must have participated in the life insurance coverage as an active employee to continue coverage as a retiree. A retiring employee may continue term life insurance coverage in the amount of \$5,000, \$10,000, or \$20,000. The retiring employee should apply as soon as possible but must elect coverage no later than 31 days after losing coverage as an employee and make the appropriate contributions to continue coverage. This will be the retiring employee's only opportunity to continue coverage, as late retiree applications will not be accepted. To ensure coverage is continued, the retiring employee should apply at least 31 days prior to retirement. Employees should contact their personnel office for forms and application instructions.

### ***Cost of Coverage for Retired Employees***

A retiree must pay the full premium cost for his coverage. Similar to retiree health insurance coverage provisions, the premiums for term life insurance must be deducted from the retiree's monthly Public Employees Retirement System (PERS) retirement benefit if the benefit amount is sufficient. Otherwise, the retiree will be billed the appropriate premium amount each month. The premium cost is actuarially determined and will vary based on the retiree's age and the benefit level selected.

### ***Totally Disabled Employees***

If a covered employee becomes totally disabled, he may be eligible to retain the same amount of term life insurance coverage he has as an active employee. To apply for continuation of coverage, the employee must complete a life insurance Enrollment/Change Request Form, a Group Disability claim form, and have his doctor complete an Attending Physician's Statement. Forms are available from the employees' personnel office, or can be downloaded from the *Know Your Benefits* website. The employee should submit all three forms to his personnel office, which is responsible for providing additional information on the forms before sending them to the Mississippi Department of Finance and Administration's Office of Insurance. The Office of Insurance will likewise provide additional information and forward these documents to Aetna Life

Insurance Company for evaluation and a determination of disability. Additional medical information supporting the disability claim may be requested from the employee by Aetna. Aetna will notify the employee, the employer, and the Office of Insurance of their decision. If the employee is approved by Aetna for continuation of coverage as a totally disabled employee, the Office of Insurance will contact him with instructions on how to initiate his coverage. He will be required to make a one-time payment for the full premium amount for the first nine (9) months of life insurance coverage. After that, his premiums will be waived until he is deemed by Aetna to be no longer disabled or reaches age 65, whichever comes first.

Aetna Life Insurance Company is the sole authority for evaluating disability continuation of term life insurance coverage applications.

### ***Naming A Beneficiary***

A beneficiary is the person the insured chooses to receive his life insurance benefits. An employee/retiree can name or change his beneficiary at any time by completing a life insurance Enrollment/Change Request Form. Upon receiving the form from the employee, the employee's personnel office is responsible for forwarding this form to Blue Cross & Blue Shield. A retiree or disabled employee should submit the form directly to Blue Cross & Blue Shield, who is responsible for maintaining this information.

If more than one beneficiary is named, the insured should indicate how to divide the benefit among them. If it is not indicated on the form how the benefit would be divided and the insured dies, the benefit will be divided equally among the named beneficiaries. Contingent beneficiaries may also be named if so desired. Benefits are payable to a contingent beneficiary if the primary beneficiary dies before the insured's date of death. If a beneficiary is not named, Aetna will pay the benefits to the estate, its executors, or administrators.

### ***Termination of Life Insurance Coverage***

Life insurance coverage will terminate on the earliest of the following:

- The date the life insurance plan and/or group term policy with Aetna terminates;
- The end of the month for which premiums have been paid;
- The end of the month in which the employee ceases to be employed or loses eligibility; or
- The end of the month following the date the insured elects in writing to terminate coverage.

NOTE: Retroactive termination requests are not permitted.

### ***Converting to a Private Policy***

An employee may convert some or all of his group term life insurance to an individual policy with Aetna if:

- The employee leaves covered employment (including retirement) with the State of Mississippi or is no longer eligible for coverage; or
- The group term policy terminates and the employee has been covered for at least 5 years.

Application to convert coverage must be made within 31 days of the loss or benefit reduction of group term coverage. Note: Converting to an individual policy does not extend coverage under the life insurance coverage provided by the State.

Benefits and provisions under the converted policy may not be the same as this group term life insurance. Aetna should be contacted for full details on the coverage available under conversion and how to apply for it.

#### ***Applying for Benefits – During the Conversion Period***

If a person dies during the 31 days when he could have applied to convert to an individual policy, a claim may be made under this group term life insurance coverage by the beneficiary for the maximum amount for which an individual conversion policy could have been issued. This right exists regardless of whether application for an individual policy had actually been made. If application for an individual policy had been made, the beneficiary designation on that application will be followed in the event the person dies during the conversion period.

#### ***Filing a Claim***

Claims should be filed as soon as possible after a loss.

**Employees:** The beneficiary or other interested party must submit a certified copy of the insured's death certificate to the employee's personnel office. The employee's personnel office is responsible for completing a Proof of Death form and submitting it, along with the certified copy of the death certificate and a copy of the employee's most recently completed Enrollment/Change Request Form to the Department of Finance and Administration, Office of Insurance. The Office of Insurance will verify coverage and the completeness of the claim, and forward the appropriate documents to Aetna for benefit processing.

**Retirees and/or totally disabled employees:** The beneficiary or other interested party must submit a certified copy of the death certificate directly to the Office of Insurance. The Office of Insurance will verify coverage, complete a Proof of Death form, and forward the appropriate documents to Aetna for benefit processing.

Additional information may be requested by the Office of Insurance or Aetna in order to process a claim.

Note: All claims should be filed through the employer's personnel office or, if a retiree, directly with the Department of Finance and Administration, Office of Insurance. Claims should not be filed directly with Aetna, as this will only delay the process.

#### ***Other State-Sponsored (Alternative) Life Insurance Policy***

If an employer (school or community college) was approved by the State and School Employees Health Insurance Management Board to insure with a private group term life insurance policy instead of participating in the State and School Employees' Life Insurance Plan, several of the policies and procedures described above will not apply. Although the basic benefit structure and

eligibility requirements must be the same as those provided in this coverage, certain enrollment and premium payment procedures will differ for those private policies.

If an employee is covered under an approved alternative State-sponsored policy, please note:

- Life insurance enrollment forms for private policies should be submitted by the personnel/payroll office to the private carrier – not to Blue Cross & Blue Shield.
- Participant change notifications should also be forwarded to the private life insurance company.
- Premiums are billed by, and should be remitted to, the private life insurance company, and should not be sent in to the Department of Finance and Administration, Office of Insurance or Aetna.
- Claims should be filed directly with the private life insurance company, and not with the Office of Insurance or Aetna.

Blue & Cross Blue Shield does not maintain any information in its eligibility system regarding private life insurance policy participation. All communication and problem resolution activities relative to a private life insurance policy must be conducted between the employer and/or the employee and the insurance company.

*If an employee is retiring from a district that participates in an approved alternative policy*, he is eligible to continue coverage under the private policy as a retiree. Similar to this coverage, benefit levels of \$5,000, \$10,000, or \$20,000 can be elected, and **the retiree will be responsible for the entire premium**. Arrangements must be made directly with the insurance company for payment of the premiums.

***If the employer decides to drop the private policy***, employees will be offered the opportunity to participate in the group term life insurance coverage through the State Plan. If an employee was participating in the private policy when it was dropped and chooses coverage in the State Plan, he will be considered a “new employee” and will not have to provide evidence of insurability. If an employee was not participating in the private policy when it was dropped and would like to apply for coverage in the State Plan, he will be considered a “late enrollee” applicant, subject to the evidence of insurability requirements.

### ***Who to Contact***

Aetna may be contacted for matters regarding the State and School Employees’ Life Insurance Plan’s Group Policy GP-876537 by calling toll-free 1-800-523-5065. Aetna should be contacted for any general questions about the following:

- Claims
- Accidental Death and Dismemberment (AD&D) Benefits
- Policy Conversions
- Any other information included in the *Your Group Plan* booklet

Note that Aetna does not maintain specific information on insured individuals such as coverage amounts, current beneficiary designations, premium billings, etc.

The employee's personnel office or Blue Cross & Blue Shield should be contacted for specific questions about the following:

- Premiums
- Coverage Amounts
- Beneficiary Designation

Please note that to preserve confidentiality, specific coverage information will only be released to the insured individual and will not be released over the telephone. For questions regarding a private group term life insurance policy, the appropriate carrier should be contacted. Neither Aetna nor Blue Cross & Blue Shield maintains information on such policies.

**Health Insurance Portability and Accountability Act (HIPAA)  
Notice of Privacy Practices  
State and School Employees' Health Insurance Plan**

**This Notice describes how medical information about you may be used  
and disclosed and how you can get access to this information.**

**Please review this Notice carefully.**

This Notice relates to the State and School Employees' Health Insurance Plan only. This Notice does not apply to other covered programs offered by your employer, such as dental, vision, and flexible spending accounts. This Notice does not apply to non-covered programs such as life insurance and workers' compensation.

This Notice describes how the State and School Employees' Health Insurance Plan may use and disclose Protected Health Information (PHI) and also explains your legal rights regarding this information. Protected Health Information is individually identifiable information about your past, present, or future health or condition, health care services provided to you, or the payment for health services.

This Notice is effective on April 14, 2003.

The State and School Employees' Health Insurance Plan (Plan) is required by law to maintain the privacy of your PHI and to provide you with this Notice of the Plan's legal duties and privacy practices. The Plan is required to follow the privacy practices described in this Notice. This Notice is posted on the Plan's website at [knowyourbenefits.dfa.state.ms.us](http://knowyourbenefits.dfa.state.ms.us). The Plan reserves the right to change its privacy practices and the terms of this Notice at any time. If a change is made to this Notice, a revised Notice will be mailed to those individuals defined as "enrollees" in the *Plan Document*. The revised Notice will be posted on the Plan's website. You have the right to receive a paper copy of this Notice upon request. You may request a paper copy of the Plan's HIPAA Notice of Privacy by contacting the Department of Finance and Administration, Office of Insurance, in the Jackson area at 601-359-3411, toll-free at 866-586-2781, or by writing to P.O. Box 24208, Jackson, MS 39225-4208.

**PERMITTED USES AND DISCLOSURES**

The examples of permitted uses and disclosures listed below are not provided as an all-inclusive list of the situations in which PHI may be used and disclosed by the Plan. However, the Plan will only use or disclose your PHI, without your written authorization, in situations falling into one of these categories.

**Uses And Disclosures For Purposes Of Treatment, Payment, or Health Care Operations**

The Plan may use and disclose your PHI for the purposes of treatment, payment, and health care operations. Examples of the uses and disclosures that the Plan may make under each purpose are listed below.

**Treatment:** Refers to the provision of health care by a doctor, hospital, or other health care provider. The Plan generally does not use or disclose your PHI for treatment, but is permitted to do so, if necessary. For example, the Plan may disclose to your treating specialty provider the name of your treating general medical provider so that the specialty provider may have the necessary medical records to evaluate your medical condition.

**Payment:** Refers to the activities that the Plan undertakes in the payment of claims for covered services received by Plan participants. Examples of uses and disclosures under this section include determination of medical necessity of a treatment or service and what the allowable charge should be; determining if a treatment or service is covered by the Plan; and sharing PHI with insurers in order to settle subrogation claims and to perform coordination of benefits.

**Health Care Operations:** Refers to the basic functions necessary to operate the Plan. Examples of uses and disclosures under this section include the use of PHI to evaluate the performance of the Plan's vendors; the disclosure of PHI to provide disease management programs to participants with specific health conditions; the disclosure of PHI to vendors under contract with the Plan who provide consulting, actuarial, claims review, and legal services to the Plan; the use and disclosure of PHI for general administrative functions such as responding to complaints or appeals; the use and disclosure of PHI for data and information management; and the use and disclosure of PHI for general data analysis used for planning, managing, and evaluation purposes.

#### **Disclosures to the Plan's Business Associates**

The Plan may disclose your PHI to its business associates as part of contracted agreements to perform services for the Plan, provided that the business associate agrees to protect the information.

#### **Disclosure for Health Related Products and Services**

The Plan or its business associates may contact you to provide information about treatment alternatives or other health-related benefits and services that may be of interest to you. For example, the Plan's utilization management vendor may contact you regarding a disease management program.

#### **Disclosures to Other Covered Entities**

The Plan may disclose your PHI to other covered entities or business associates of those covered entities for the purposes of treatment, payment, and certain health care operations. For example, the Plan may disclose PHI to another health plan in order to perform coordination of benefits.



### **Other Uses and Disclosures Allowed Without Authorization**

The Plan may use and disclose PHI, without your authorization, in the following ways;

- To you, as the covered individual;
- To a personal representative designated by you to receive PHI or a personal representative designated by law, such as the guardian ad litem for a minor or a person with power of attorney for health care;
- To the Secretary of Health and Human Services (HHS) or a duly designated employee of HHS as part of an investigation to determine the Plan's compliance with HIPAA;
- In response to a court order, subpoena, discovery request, or other lawful judicial or administrative proceeding or process;
- As required for federal, state, and local law enforcement purposes;
- As required to comply with Workers' Compensation or other similar programs established by law;
- To a health oversight agency for activities authorized by law such as audits, investigations, and inspections. Oversight agencies seeking this information include government agencies that oversee benefit programs, other governmental regulatory programs, and civil rights laws;
- As required to address certain matters of public interest as required or permitted by law. Examples include threats to the public health or national security matters; and
- To the State and School Employees Health Insurance Management Board, the Plan Sponsor, provided the appropriate language is included in the *Plan Document*, to carry out the payment and health care operations functions discussed above.

### **USES AND DISCLOSURES REQUIRING YOUR WRITTEN AUTHORIZATION**

Other uses and disclosures of your PHI will only be made upon receiving your written authorization. If you have provided an authorization to the Plan, you may revoke your authorization at any time by providing written notice to the Plan. The Plan will honor a request to revoke as of the day it is received and to the extent that the Plan has not already used or disclosed your PHI.

### **YOUR RIGHTS IN RELATION TO PROTECTED HEALTH INFORMATION**

The federal privacy regulations give you the right to make certain requests regarding your PHI.

#### **Right to Request Restrictions**

You have the right to request that the Plan restrict its uses and disclosures of PHI in relation to treatment, payment, and health care operations. Any such request must be made in writing and must state the specific restriction requested and to whom that restriction would apply. The Plan is not required to agree to a restriction that you request.

**Right to Request Confidential Communications**

You have the right to request that communications involving your PHI be provided to you at a certain location or in a certain way. Any such request must be made in writing. The Plan will accommodate any reasonable request if the normal method of communication would place you in danger and that danger is stated in your request.

**Right To Access Your Protected Health Information**

You have the right to inspect and copy your PHI maintained in a “designated record set” by the Plan. The designated record set consists of records used in making payment, claims adjudication, medical management, and other operations. The Plan may ask that such requests be made in writing and may charge reasonable fees for producing and mailing the copies. The Plan may deny such requests in certain cases.

**Right to Request Amendment**

You have the right to request that your PHI created by the Plan and maintained in a designated record set be amended. Any such request must be made in writing and must include the reason for the request. If the Plan denies your request for amendment, you may file a written statement of disagreement. The Plan has the right to issue a rebuttal to your statement, in which case, a copy will be provided to you.

**Right to Receive An Accounting of Disclosures**

You have the right to receive an accounting of all disclosures of your PHI that the Plan has made, if any. This accounting does not include disclosures for payment or health care operations or certain other purposes, or disclosures to you or with your permission. Any such request must be made in writing and must include a time period, not to exceed six (6) years. The Plan is only required to provide an accounting of disclosures made on or after April 14, 2003. If you request an accounting more than once in a 12-month period, the Plan may charge you a reasonable fee.

All requests listed above should be submitted in writing to the Department of Finance and Administration, Office of Insurance.

**COMPLAINTS**

You have the right to file a complaint if you think your privacy rights have been violated. You may file a complaint with the Plan by writing to the Department of Finance and Administration, Office of Insurance, Attention: Privacy Officer at the address listed in this Notice. You may also file a complaint by writing to the Secretary of the U.S. Department of Health and Human Services. You will not be penalized for filing a complaint.

**PRIVACY CONTACT**

If you have any questions regarding this Notice, please contact the Department of Finance and Administration, Office of Insurance by mail at P. O. Box 24208, Jackson, MS 39225-4208 or by phone in the Jackson area at 601-359-3411, or toll-free at 866-586-2781.

## **Important Notice from the Mississippi State and School Employees' Health Insurance Plan About Your Prescription Drug Coverage and Medicare**

**Please read this notice carefully, and keep it where you can find it.** This notice has information about your current prescription drug coverage with the Mississippi State and School Employees' Health Insurance Plan (Plan) and new prescription drug coverage available for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

**This notice only applies if you are *both* eligible for Medicare and covered under this Plan *other than* as a retiree, a surviving spouse, or a dependent of a retiree or a surviving spouse.**

- 1. Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare.**
- 2. You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join. Read this notice carefully - it explains your options.**
- 3. If you are both eligible for Medicare and you are covered by the Plan *other than* as a retiree, a surviving spouse, or a dependent of a retiree or a surviving spouse, the State and School Employees Health Insurance Management Board has determined that the prescription drug coverage offered by the Plan is, on average expected to pay out as much as the standard Medicare prescription drug coverage will pay.**

You may have heard about Medicare's new prescription drug coverage, and wondered how it would affect you. Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug coverage will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

**Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage as long as you are eligible and not pay extra if you later decide to join a Medicare prescription drug plan.**

People with Medicare can join a Medicare prescription drug plan from November 15, 2005 through May 15, 2006. However, because you have existing prescription drug coverage that, on average, is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan at a later date. In the future, you will have the opportunity each year to join a Medicare prescription drug plan between November 15<sup>th</sup> and December 31<sup>st</sup>.

**If you decide to join a Medicare prescription drug plan and drop your coverage under the Plan, be aware that you may be subject to restrictions when you try to get the Plan's coverage back. Refer to the Plan Document for information on applying for coverage.**

You should compare your current coverage under the Plan, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Your current coverage pays for other health expenses, in addition to prescription drug expenses. You will not remain eligible for your current health care benefits if you choose to drop the Plan's coverage to join a Medicare prescription drug plan.

You should also know that if you drop or lose your coverage with the Plan and don't join a Medicare prescription drug plan after your current coverage ends, you may pay more to join a Medicare prescription drug plan at a later date. If after May 15, 2006, you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay.

You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the next November to join.

**For more information about this notice, contact Blue Cross & Blue Shield Customer Service at 1-800-709-7881.**

NOTE: You may receive this notice at other times in the future such as before the next period you can join a Medicare prescription drug plan, and if this coverage changes. You also may request a copy.

**You need to make a decision. For more information about your options under Medicare prescription drug coverage...**

More detailed information about Medicare plans that offer prescription drug coverage will be available in October 2005 through the "Medicare & You 2006" handbook from Medicare. You may also be contacted directly by Medicare-approved prescription drug plans. You'll get a copy of the handbook in the mail. You can also get more information about Medicare prescription drug plans from these places:

- Visit [www.medicare.gov](http://www.medicare.gov) for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number), or
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800- 772-1213 (TTY 1-800-325-0778).

Name of Entity/Sender: Department of Finance and Administration, Office of Insurance  
Contact--Position/Office: Blue Cross & Blue Shield of MS  
Address: P. O. Box 23071, Jackson, MS 39225-3071  
Phone Number: 1-800-709-7881

## Important Notice from the Mississippi State and School Employees' Health Insurance Plan about Prescription Drug Coverage and Medicare for Medicare Eligible Persons who are Retirees, Surviving Spouses, and Dependents of Retirees and Surviving Spouses

**Please read this notice carefully, and keep it where you can find it.** This notice has information about your current prescription drug coverage with the Mississippi State and School Employees' Health Insurance Plan (Plan) and new prescription drug coverage available for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

**This notice only applies if you are *both* eligible for Medicare and covered by the Plan as a retiree, a surviving spouse, or as a dependent of a retiree or a surviving spouse.**

1. **Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare.**
2. **The State and School Employees Health Insurance Management Board has determined that the prescription drug coverage offered by the Plan in 2006 is, on average for all Plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay.**
3. **This is because, once Medicare Part D becomes effective January 1, 2006, the Plan will no longer provide prescription drug coverage for Medicare eligible persons who are retirees, surviving spouses, or dependents of retirees and surviving spouses.**
4. **You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join. Read this notice carefully - it explains your options.**

You may have heard about Medicare's new prescription drug coverage, and wondered how it would affect you. Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug coverage will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

Once Medicare Part D becomes effective January 1, 2006, the Plan will not provide prescription drug coverage for Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses. This change does not affect your health care coverage through the Plan - it only means that prescription drug coverage will be available from Medicare but not the Plan.

**REMEMBER:** This change only affects prescription drug coverage – it does not affect your health care coverage through the Plan. If you drop your health care coverage with the Plan, you will not be able to get it back later.

**IT IS VERY IMPORTANT THAT MEDICARE ELIGIBLE RETIREES, MEDICARE ELIGIBLE SURVIVING SPOUSES AND MEDICARE ELIGIBLE DEPENDENTS OF RETIREES AND SURVIVING SPOUSES JOIN A MEDICARE PRESCRIPTION DRUG PLAN.**

Because the prescription drug coverage you have with the Plan will no longer be provided after January 1, 2006, you should consider joining a Medicare prescription drug plan. You can first join between November 15, 2005 and May 15, 2006. **This is important, because if you do not get Medicare prescription drug coverage (or equivalent coverage) before May 15, 2006, you may have to pay a higher premium if you join later. You will pay that higher premium as long as you have Medicare prescription drug coverage.**

**If you don't join a Medicare prescription drug plan by May 15, 2006 and change your mind later, you may pay more.**

If you wait until after May 15, 2006, to join, your monthly premium for a Medicare prescription drug plan could be much higher than it would have been if you had joined by May 15. If, after May 15, 2006, you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your premium will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay.

**If you don't join a Medicare prescription drug plan by May 15, 2006, you may also have to wait to join.**

Generally, after May 15, 2006, you can only join a Medicare prescription drug plan between November 15 and December 31 of any year. This may mean the number of months you have to wait for coverage will be longer, which could make your premium higher.

**Once Medicare Part D becomes effective January 1, 2006, the Plan will not provide prescription drug coverage for Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.**

Your current coverage under the Plan pays for other health expenses, in addition to prescription drugs. You will still be eligible to receive all of your current health care benefits if you choose to join a Medicare prescription drug plan.

**For more information about this notice, contact Blue Cross & Blue Shield Customer Service at 1-800-709-7881.**

NOTE: You may receive this notice at other times in the future such as before the next period you can join a Medicare prescription drug plan, and if this coverage changes. You also may request a copy.

**You need to make a decision about prescription drug coverage from Medicare. When you make your decision, you should carefully consider the cost and terms of Medicare prescription drug coverage in your area. For more information about your options under Medicare prescription drug coverage...**

More detailed information about Medicare plans that offer prescription drug coverage will be available in October 2005 through the "Medicare & You 2006" handbook from Medicare. You may also be contacted directly by Medicare-approved prescription drug plans. You'll get a copy of the handbook in the mail. You can also get more information about Medicare prescription drug plans from these places:

- Visit [www.medicare.gov](http://www.medicare.gov) for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number), or
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800- 772-1213 (TTY 1-800-325-0778).

Name of Entity/Sender: Department of Finance and Administration, Office of Insurance  
Contact--Position/Office: Blue Cross & Blue Shield of MS  
Address: P. O. Box 23071, Jackson, MS 39225-3071  
Phone Number: 1-800-709-7881



